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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
ANNOUNCEMENT ON LAND BIDDING RESULT**

The board of directors (the “**Board**”) of China Energy Engineering Corporation Limited (the “**Company**”) is pleased to announce that, recently, China Gezhouba Group Real Estate Development Co., Ltd.* (中國葛洲壩集團房地產開發有限公司) (“**Gezhouba Real Estate Company**”), a subsidiary of China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司) (a subsidiary of the Company), Guangzhou Nansha Urban Construction & Investment Co., Ltd.* (廣州南沙城市建設投資有限公司) and Nansha International Financial Island (Guangzhou) Co., Ltd.* (南沙國際金融島(廣州)有限公司) jointly succeeded in the bidding of the state-owned construction land use right of a land parcel (No. 2019NJY-15) in the pilot area of the Pearl Bay Region, Nansha District, Guangzhou City (Hengli Island) (the “**Land Parcel**”) through an online auction in Guangzhou City. Gezhouba Real Estate Company, Guangzhou Nansha Urban Construction & Investment Co., Ltd., Nansha International Financial Island (Guangzhou) Co., Ltd. and Planning and Natural Resources Bureau of Nansha Economic and Technological Development Zone, Guangzhou (廣州南沙經濟技術開發區規劃和自然資源局) has entered into the Transfer Contract of Land Use Rights of State-owned Construction Land (《國有建設用地使用權出讓合同》) (the “**Transfer Contract**”) on 9 December 2019.

Principal terms of the Transfer Contract are as follows:

Parties:

Planning and Natural Resources Bureau of Nansha Economic and Technological Development Zone, Guangzhou (the “**Vendor**”);

Gezhouba Real Estate Company, Guangzhou Nansha Urban Construction & Investment Co., Ltd. and Nansha International Financial Island (Guangzhou) Co., Ltd. (collectively, the “**Purchaser**”).

* For identification purpose only

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, Planning and Natural Resources Bureau of Nansha Economic and Technological Development Zone, Guangzhou and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

PARTICULARS OF THE LAND PARCEL

Located in the pilot area of the Pearl Bay Region, Nansha District, Guangzhou City (Hengli Island), the Land Parcel is planned for Class II residential use (R2). It has an area of construction land of 139,229 square meters and an overall plot ratio of 3.97 with a plot ratio-based floor area of 553,242 square meters. The Land Parcel under the Transfer Contract is for Class II residential use (R2). The term of transfer of the state-owned construction land use right of the Land Parcel under the Transfer Contract is 70 years.

CONSIDERATION AND BASIS FOR DETERMINATION

The bidding price of the Land Parcel of RMB4,475.9 million was determined based on the bidding terms announced by Planning and Natural Resources Bureau of Nansha Economic and Technological Development Zone, Guangzhou by way of public bidding. The bidding price shall be paid in two installments. The first installment shall be made within 30 days from the date of signing of the Transfer Contract in cash to 50%, being RMB2,237.95 million. The second installment shall be made within one year from the date of signing of the Transfer Contract in cash for the remaining 50%, being RMB2,237.95 million. Among which, RMB2,767,001,380 shall be payable by Gezhouba Real Estate Company.

The Purchaser agreed, when making the second and each of the subsequent installments for land premium of the state-owned construction land use right, to pay interest to the Vendor in accordance with the lending rate for the same period as announced by the People's Bank of China on the date of the first installment for the land premium.

DEVELOPMENT, CONSTRUCTION AND UTILIZATION OF THE LAND PARCEL

Where the Purchaser constructs new buildings, structures and ancillary facilities within the scope of the Land Parcel under the Transfer Contract, it shall comply with the planning conditions of the transferred land parcel as determined by planning administration departments of the municipal or county governments.

Where the Purchaser undertakes the construction at the Land Parcel under the Transfer Contract, the connection and introduction works between the facilities of water, gas, sewage, other facilities and the major pipelines, power substations outside the Land Parcel shall be handled in accordance with the relevant regulations. The Purchaser agrees with all kinds of channels and pipelines laid out by the government for the need of public utilities entering, passing through or crossing the transferred Land Parcel. Where thereby affecting the functions of the transferred Land Parcel, the government or public utilities construction entities shall provide reasonable compensation.

The Purchaser shall use the land in accordance with the land use and plot ratio as stipulated in the Transfer Contract, and shall not change any of such without authorization. During the term of transfer, in case it is necessary to change the land use stipulated in the Transfer Contract, both parties agree to proceed in accordance with the following provisions. The approval procedures of changing land use shall be applied in accordance with the law. An agreement to amend the Transfer Contract shall be entered or the transfer contract of land use rights of state-owned construction land shall be re-entered. The Purchaser shall pay the transfer price of the state-owned construction land use right based on the difference between the estimated market price of the land use right of the construction land under the new land use at the time of approval of the change and the estimated market price of the land use right of the construction land under the original land use, and the change in land registration shall be made correspondingly.

During the term of use of the Land Parcel under the Transfer Contract, the government reserves the right to adjust the planning of the Land Parcel under the Transfer Contract. If there are any changes to the original planning, the existing buildings at the Land Parcel are not affected. However, any alteration, renovation or reconstruction of buildings, structures and its ancillary facilities at the Land Parcel during the term of use, or application for renewal upon the expiry of the term, must be conducted in accordance with the then effective plan.

TRANSFER, LEASE AND PLEDGE OF THE LAND USE RIGHT OF THE LAND PARCEL

The Purchaser shall, after paying the entire land premium of the state-owned construction land use right according to the Transfer Contract and receiving the certificate of state-owned land use right, be entitled to transfer, lease, pledge all or part of the state-owned construction land use right under the Transfer Contract. The first transfer shall satisfy the following conditions: investment development shall be carried out in accordance with the terms of the Transfer Contract and more than 25% of the total investment development shall be completed. After the state-owned construction land use right has been transferred in whole or in part, the rights and obligations set forth in the Transfer Contract and the land registration documents shall be transferred accordingly. The term of use of the state-owned construction land use right shall be the remaining years after deducting the number of years already used from the useful life as stipulated in the Transfer Contract.

After all or part of the state-owned construction land use right under the Transfer Contract has been leased, the rights and obligations set forth in the Transfer Contract and the land registration documents shall still be borne by the Purchaser.

If the state-owned construction land use right is transferred or pledged, the parties to the transfer or pledge shall hold the Transfer Contract and the corresponding transfer or pledge contract and certificate to the use of state-owned land, and apply to the land and resources management departments for registration of the change of land.

LIABILITIES FOR BREACH OF THE CONTRACT

The Purchaser shall, in accordance with the terms of the Transfer Contract, pay the land premium of the state-owned construction land use right on time. If the Purchaser fails to pay the land premium of the state-owned construction land use right on time, a penalty of 1‰ of the delayed payment shall be paid by the Purchaser to the Vendor on daily basis from the date of delay for default. In case the overdue payment exceeds 60 days and where no land premium is received after a demand for payment of the land premium of the state-owned construction land use right has been made by the Vendor, the Vendor has the right to rescind the contract and the Purchaser will not be entitled to request the refund of the deposit, and the Vendor may request the Purchaser to compensate the loss.

If the Purchaser fails to commence its construction in accordance with the date stipulated in the Transfer Contract or such other date agreed among parties for construction delay, the Purchaser shall pay the Vendor a liquidated damages equivalent to 0.5‰ of the total land premium of the state-owned construction land use right for each day of extension. The Vendor shall have the right to require the Purchaser to continue to perform the contract. If the Purchaser fails to complete the work in accordance with the date stipulated in the Transfer Contract or such other date agreed among parties for construction delay, the Purchaser shall pay the Vendor a liquidated damages equivalent to 0.5‰ of the total land premium of the state-owned construction land use right for each day of extension.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio in respect of the investment amount from Gezhouba Real Estate Company when participating in land bidding exceeds 5% but is less than 25%, the land bidding constitutes a discloseable transaction of the Company pursuant to the relevant requirements under Chapter 14 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and is subject to the notification and announcement requirements under the Listing Rules, while exempted from the shareholders’ approval requirement.

INFORMATION OF THE COMPANY AND OTHER 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 and real estate in China as well as over the world.

Gezhouba Real Estate Company is a company established in the PRC with limited liability and a subsidiary of China Gezhouba Group Stock Company Limited (a subsidiary of the Company). It is principally engaged in real estate development business.

Guangzhou Nansha Urban Construction & Investment Co., Ltd. is a limited liability company established in the PRC and is principally engaged in urban infrastructure investment and construction, urban resource operation, industrial park development, functional property development, investment promotion services and state-owned asset leasing management.

Nansha International Financial Island (Guangzhou) Co., Ltd. is a limited liability company established in the PRC and is principally engaged in investment management services, trade advisory services, investment consultancy services, construction of building construction works, construction engineering and civil engineering technology development services, self-owned real estate operating activities, construction engineering and civil engineering technology services, real estate development and operation, and also conference and exhibition services.

The land vendor is Planning and Natural Resources Bureau of Nansha Economic and Technological Development Zone, Guangzhou, which is responsible for the related work of the transfer of the Land Parcel, including information disclosure, data review, confirmation of transaction eligibility, and signing of transfer contract related to the state-owned construction land use right.

REASONS FOR AND BENEFITS OF LAND BIDDING

The securing of the Land Parcel by Gezhouba Real Estate Company is conducive to enhancing the market share of the Company's real estate business, improving its industry position and brand awareness of the Company's real estate business. Thus, the directors of the Company consider that the bidding for the Land Parcel is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

By Order of the Board
CHINA ENERGY ENGINEERING CORPORATION LIMITED*
Wang Jianping
Chairman

Beijing, the PRC
9 December 2019

As at the date of this announcement, the executive directors of the Company are Mr. Wang Jianping, Mr. Ding Yanzhang and Mr. Zhang Xianchong; the non-executive directors are Mr. Ma Chuanjing, Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Ding Yuanchen and Mr. Cheung Yuk Ming.