
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 revised 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)

**DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED
TRANSACTION - RENEWAL OF FINANCIAL SERVICES
FRAMEWORK AGREEMENT
APPOINTMENT OF THE AUDIT INSTITUTIONS FOR THE PROJECT OF
ABSORPTION AND MERGER OF CGGC THROUGH SHARE SWAP BY
CHINA ENERGY
STANDARDS ON REMUNERATION PAYMENT OF
THE DIRECTORS FOR THE YEAR 2019
AND
SUPPLEMENTAL NOTICE OF THE SECOND
EXTRAORDINARY GENERAL MEETING OF 2020**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



BAOQIAO PARTNERS CAPITAL LIMITED

A supplemental notice of the second extraordinary general meeting of 2020 (the “EGM”) to be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 29 December 2020 at 10 a.m. is set out on pages 34 to 35 of this circular.

The revised proxy form (the “**Revised Proxy Form**”) of the EGM is enclosed with this circular, and published on the websites of The Stock Exchange of Hong Kong Limited (<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 the accompanying Revised Proxy Form in accordance with the instructions printed thereon, and return in any event not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the Revised Proxy Form shall not preclude you from attending and voting at the EGM should you so wish.

11 December 2020

* 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:

“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BaoQiao Partners” or “Independent Financial Adviser”	BaoQiao Partners Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CGGC”	China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600068), a subsidiary indirectly held by the Company of approximately 42.84% equity interest
“Company” or “China Energy”	China Energy Engineering Corporation Limited* (中國能源建設股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 3996)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the second extraordinary general meeting of 2020 of the Company to be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 29 December 2020 at 10 a.m. and any adjournment thereof (as the case may be)

DEFINITIONS

“Energy China Group”	China Energy Engineering Group Co., Ltd.* (中國能源建設集團有限公司), the controlling shareholder of the Company
“Finance Company”	China Energy Engineering Group Finance Co., Ltd.* (中國能源建設集團財務有限公司), a limited liability company established in the PRC on 18 January 1996 and a subsidiary of the Company
“Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and Energy China Group on 27 October 2020
“Group”	the Company and its subsidiaries
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent committee of the Board comprising of all Independent Non-executive Directors, namely Mr. Cheung Yuk Ming, Mr. Zhao Lixin and Mr. Cheng Niangao. The purpose of setting up the committee is to advise the Independent Shareholders in respect of the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Shareholder(s)”	Shareholder(s) of the Company other than Energy China Group and its associates
“Latest Practicable Date”	4 December 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China (中華人民共和國國務院國有資產監督管理委員會)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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)
“subsidiary(ies)”	has the meaning ascribed to it under the 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. Sun Hongshui (*Vice Chairman*)
Mr. Ma Mingwei

Non-executive Directors:

Mr. Liu Xueshi
Mr. Si Xinbo

Independent Non-executive Directors:

Mr. Cheung Yuk Ming
Mr. Zhao Lixin
Mr. Cheng Niangao

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

11 December 2020

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED
TRANSACTION - RENEWAL OF FINANCIAL SERVICES
FRAMEWORK AGREEMENT
APPOINTMENT OF THE AUDIT INSTITUTIONS FOR THE PROJECT OF
ABSORPTION AND MERGER OF CGGC THROUGH SHARE SWAP BY
CHINA ENERGY
STANDARDS ON REMUNERATION PAYMENT OF
THE DIRECTORS FOR THE YEAR 2019
AND
SUPPLEMENTAL NOTICE OF THE SECOND
EXTRAORDINARY GENERAL MEETING OF 2020**

INTRODUCTION

The purpose of this circular is to give you a supplemental notice of the EGM, which is set out on pages 34 to 35 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

At the EGM, ordinary resolutions concerning the following matters of the Company will be proposed to consider and approve: (i) the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof; (ii) the appointment of the audit institutions for the Project of Absorption and Merger of CGGC through Share Swap by China Energy; and (iii) the standards on remuneration payment of the Directors for the year 2019.

With regards to the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof, the Board announced on 27 October 2020 that the Company has entered into the Financial Services Framework Agreement with Energy China Group, pursuant to which Finance Company, a subsidiary of the Company, will provide financial services to Energy China Group and its subsidiaries, including deposit services, comprehensive credit services and other financial services.

Pursuant to the Listing Rules, the transactions contemplated under the Financial Services Framework Agreement will constitute continuing connected transactions of the Company, under which the comprehensive credit services shall be subject to the provisions of reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

The Independent Board Committee comprising of all Independent Non-executive Directors has been established to advise the Independent Shareholders in respect of the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof. The Company has appointed BaoQiao Partners as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the same matter.

1. DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTION - RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT

An ordinary resolution will be proposed at the EGM to approve the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof. Transactions with the annual maximum amount of credit facility of RMB4 billion in respect of the comprehensive credit services under the Financial Services Framework Agreement shall become effective upon approval by the Independent Shareholders.

Reference is made to the announcement of the Company dated 27 October 2020 in respect of, among others, the Financial Services Framework Agreement entered into between the Company and Energy China Group. As the existing Financial Services Framework Agreement entered into between the Company and Energy China Group will expire by the end of 2020, and the Company will continue to carry out such transactions after 31 December 2020, the Company and Energy China Group renewed the abovementioned framework agreement on 27 October 2020. Details of which are set out below:

Financial Services Framework Agreement

Date

27 October 2020

LETTER FROM THE BOARD

Parties

- (1) Finance Company
- (2) Energy China Group

Material Terms

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

- (1) Deposit services: Finance Company shall provide deposit services to Energy China Group and its subsidiaries;
- (2) Comprehensive credit services: Finance Company shall assist Energy China Group and its subsidiaries in receipt and payment of transactional funds, entrusted loans and entrusted investments, acceptance and discount of notes, loans and finance leases;
- (3) Other financial services: Finance Company shall handle internal transfer settlement and corresponding settlement and clearing plan design; provide financial and financing consultancy, credit testimony and related consulting and agency business; underwrite the corporate bonds of Energy China Group and its subsidiaries; and provide other services as permitted by the financial licenses of Finance Company to Energy China Group and its subsidiaries.

Term

The term of the Financial Services Framework Agreement is three years, i.e. from 1 January 2021 to 31 December 2023.

Pricing Policy

The services to be provided by Finance Company to Energy China Group are subject to the following pricing policies:

- (1) The deposit interest rates for the deposit services shall be determined in accordance with the deposit interest rates with the same type and term stipulated by PBOC with reference to the interest rates of major domestic commercial banks in the PRC for the deposits with the same type and term, such interest rates shall not be higher than the deposit interest rate offered by Finance Company to the Group under the same conditions;
- (2) The interest rates and 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

LETTER FROM THE BOARD

banks in the PRC for the loans with the same type and term, such rates and interest rates shall be no less favorable than the interest rate and rate of similar credit services offered by Finance Company to the Group under the same conditions;

- (3) The service fees for other financial services shall be determined with reference to the interest rates or service fee charged by major domestic commercial banks or financial institutions in the PRC for the same type of financial services, such service fees shall be no less favorable than the service fee of similar financial services offered by Finance Company to the Group under the same conditions.

Historical Transaction Amount

According to the Financial Services Framework Agreement entered into between the Company and Energy China Group on 29 January 2018, the highest daily credit balances provided by the Group to Energy China Group through Finance Company for the years ended 31 December 2018 and 31 December 2019 and the nine months ended 30 September 2020 were RMB0.395 billion, RMB1.565 billion, and RMB1.574 billion (unaudited), respectively, the service fees of other financial services provided by the Group to Energy China Group through Finance Company for the years ended 31 December 2018 and 31 December 2019 and the nine months ended 30 September 2020 were RMB0, RMB8.7 thousand and RMB16.5 thousand (unaudited), respectively.

Existing Annual Caps

According to the Financial Services Framework Agreement entered into between the Group and Energy China Group on 29 January 2018, the annual caps for the maximum amount of credit facility (the caps of the highest daily credit balance) provided by the Group to Energy China Group through Finance Company for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 were RMB1.6 billion, respectively, and the annual caps for the service fees of other financial services provided by the Group to Energy China Group through Finance Company for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 were RMB30 million, respectively.

Proposed Annual Caps

For the three years ending 31 December 2021, 31 December 2022 and 31 December 2023, the proposed annual caps for the maximum amount of credit facility (the caps of the highest daily credit balance) to be provided by the Group to Energy China Group through Finance Company are RMB4 billion, respectively.

The proposed annual caps for service fees of other financial services to be provided by the Group to Energy China Group through Finance Company for the three years ending 31 December 2021, 31 December 2022 and 31 December 2023 are RMB30 million, respectively.

LETTER FROM THE BOARD

Basis for Determining the Proposed Annual Caps

In terms of the comprehensive credit services provided by the Group to Energy China Group through Finance Company, the basis for determining the proposed annual caps is mainly based on the expansion of business scale of Finance Company and the continuous increase in demand for deposits and loans of Energy China Group. Among which, in terms of the expansion of business scale of Finance Company, the proposed caps of RMB4 billion only account for 16.7% of the cash and bank balances of Finance Company as at 31 December 2019, and the proposed annual caps are within a reasonable range in view of the business scale of Finance Company; in terms of the demand for deposits and loans of Energy China Group, in recent years, the financing demand of Energy China Group has been increasing continuously. According to the liquidity financing and plans of Energy China Group, and the projects it plans to undertake/participate in the coming three years, its demand for financing/bank guarantee is approximately RMB3.95 billion.

From the perspective of the expansion of scale of Finance Company, according to the audited financial statements of Finance Company for the year ended 31 December 2019, the cash and bank balances of Finance Company as at 31 December 2019 increased by approximately RMB14.4 billion as compared with those as at 31 December 2018. In addition, the total loan balance of Finance Company as at 31 December 2019 increased by approximately RMB10.9 billion as compared with that as at 31 December 2018, while the net interest income from loan services as at 31 December 2019 increased by approximately RMB103 million as compared with that as at 31 December 2018. With the continuously increasing average deposit balance, the savings funds used for providing credit services increased followed by the increase in comprehensive credit capacity.

From the perspective of the demand of Energy China Group, in the last three years, the highest daily balance of credit services increased significantly from RMB0.395 billion for the year ended 31 December 2018 to RMB1.565 billion and RMB1.574 billion for the year ended 31 December 2019 and for the nine months ended 30 September 2020, respectively. In addition, the utilisation rate of the existing annual caps increased from approximately 24.7% for the year ended 31 December 2018 to approximately 97.8% and 98.4% for the year ended 31 December 2019 and for the nine months ended 30 September 2020, respectively. The financing demand of Energy China Group has been increasing significantly, and the existing annual caps under the financial services framework agreement 2018-2020 can hardly meet the growing demand of Energy China Group. To conclude the above, with the continuous expansion of business scale of Finance Company and the increase in demand for deposits and loans of Energy China Group, it is expected that the credit scale provided to Energy China Group will continue to grow steadily during 2021 to 2023.

In terms of the other financial services provided by the Group to Energy China Group through Finance Company, Finance Company has a complete set of licenses for financial business and can provide various financial services such as proprietary loans, entrusted loans, various types of guarantees and counter-guarantees, acceptance of drafts, certificate of deposits, credit certification, proof of credit and counter-commitments. From 2018 to 2020, other financial services provided by the Group to Energy China Group through Finance Company mainly focus on business areas of entrusted loans and guarantees, with more than 20 transactions happened in each year. In consideration of the increasing demand for entrusted loan and guarantee businesses of Energy China

LETTER FROM THE BOARD

Group in the future, and the proposed increase in standard of the service fee in view of market conditions by Finance Company, the scale of entrusted loan and guarantee businesses will increase to a certain extent. Except for stock business, considering that Finance Company has a complete set of licenses, Energy China Group and Finance Company plan to expand new business cooperation in areas such as counter-guarantees, financial and financing consultancy, and notes business. Accordingly, in consideration of the growth in stock business and the expansion in new businesses in the future, the Company maintains the annual caps for service fee of the provision of other financial services stipulated in the agreement for the years of 2018 to 2020.

Reasons for and Benefits of Entering into the Financial Services Framework Agreement

The main reasons for and benefits of providing the financial services to Energy China Group and its subsidiaries are as follows:

- (1) Through the expansion of services provided by Finance Company to Energy China Group, Finance Company will enhance the stability of its operations and the profitability of the Group as a whole will be further improved;
- (2) 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 monitoring of the use and application of funds within the Group, and will provide the Group with higher bargaining power; and
- (3) The pricing terms offered by Finance Company to Energy China Group shall be no more favorable than the pricing terms of similar services offered by Finance Company to the Group.

Internal Management Procedures for the Implementation of Continuing Connected Transactions

The Company will endeavour to carry out adequate supervision over the corresponding annual caps on the transaction amount of the agreements which involved the continuing connected transactions of the Company with a view of ensuring that necessary measures and appropriate actions for the compliance with applicable requirements under the Listing Rules will be promptly taken. The Company has formulated a series of measures and policies, including contract policy, project management policy, and connected transaction management measures, to ensure that all continuing connected transactions are conducted in accordance with the agreements and their pricing policies. Transactions under each agreement will be approved on an as-needed basis by the Audit Committee of the Board, the Board and/or several internal departments of the Company (including but not limited to the Finance Department and the Audit and Supervision Department of the Company) in the form of annual plans and unplanned matters etc. to urge subsidiaries to comply with the requirements under the framework agreements and market practices when entering into specific transactions and not to deviate from the terms of agreements disclosed in this circular. The Audit Committee of the Board and relevant departments of the Company will also regularly monitor the implementation of these agreements and the progress of transactions in accordance with the management regulations of connected transactions of the Company.

LETTER FROM THE BOARD

The Company monitors continuing connected transactions of each category, and the Finance Department reports to the office of the Board on a quarterly basis; the Securities Department of the Company examines the progress of the continuing connected transactions of each unit on a half-year basis.

Meanwhile, the Group has formulated systems such as proprietary loan management measures and risk management measures, regulating the qualifications of lenders (including gearing ratio, credit status and use of funds) and the requirements of process of granting loans (including the requirements of the review process of various materials, and that loans can be only granted when the supporting documents such as use of funds are complete, etc.). At the same time, various risk reviews and prevention mechanisms of the Group are standardized so as to effectively prevent the occurrence of capital risks.

Our Independent Non-executive Directors have also reviewed and will continue to review the agreements for renewed continuing connected transactions to ensure the continuing connected transaction agreements, where available, are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the continuing connected transaction agreements. The auditor of the Company will also conduct an annual review on the pricing and annual caps of the continuing connected transaction agreements.

Listing Rules Implications

As of the Latest Practicable Date, Energy China Group is the controlling shareholder of the Company and therefore, Energy China Group constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Finance Company is a subsidiary of the Company and accordingly, the Financial Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

The deposit services to be provided by Finance Company to Energy China Group and its subsidiaries will constitute continuing connected transactions by way of financial assistance received by the Group from a connected person. Pursuant to Rule 14A.90 of the Listing Rules, as the deposit services are conducted on normal commercial terms and not conditional upon any collateral of assets of the Group, the provision of the deposit services is exempt from reporting, announcement and/or Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the comprehensive credit services to be provided by Finance Company to Energy China Group and its subsidiaries is more than 5%, the provision of comprehensive credit services shall be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the other financial services to be provided by Finance Company to Energy China Group and its subsidiaries is more than 0.1% but less than 5%, the provision of other financial services shall be subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The transaction of provision of comprehensive credit services by Finance Company to Energy China Group and its subsidiaries constitutes a discloseable transaction under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio of the comprehensive credit services to be provided by Finance Company to Energy China Group and its subsidiaries is more than 5% but less than 25%, the transaction of provision of comprehensive credit services by Finance Company to Energy China Group and its subsidiaries shall be subject to the announcement requirement but exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Confirmation of the Board

Our Directors (including our Independent Non-executive Directors) consider that the terms of the transactions contemplated under the Financial Services Framework Agreement and the annual caps are on normal commercial terms in the ordinary and usual business course of the Company, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

The Board has considered and approved the resolution in relation to the Financial Services Framework Agreement. As Mr. Song Hailiang and Mr. Sun Hongshui, the Directors of the Company, are also the directors of Energy China Group, they are deemed to have material interests in the transactions between the Group and Energy China Group. They have abstained from voting on the approval of the Financial Services Framework Agreement and the transactions contemplated thereunder at the Board meeting in accordance with the requirements of the Listing Rules. Save as disclosed above, none of the Directors has material interests in the Financial Services Framework Agreement.

General Information

The Company is a comprehensive and ultra-large group company offering holistic solutions and full-chain services in energy power, infrastructure and real estate sectors in China and the world at large. Its businesses cover energy power, water conservancy and waterworks, railways and highways, ports and navigation channels, municipal engineering, urban rail, eco-environment protection and housing construction.

Finance Company is a licensed financial institution established in the PRC and a subsidiary of the Company. It is mainly engaged in providing relevant banking and financial services within the scope of business approved by CBIRC.

Energy China Group is a wholly state-owned enterprise and the controlling shareholder of the Company. It is mainly engaged in certain power engineering businesses, research and study on development strategy and planning of the power industry, government and industry policies in the power industry and standardization of scientific research and the provision of community services such as health care, education and public security. The ultimate beneficial owner of Energy China Group is SASAC.

LETTER FROM THE BOARD

2. APPOINTMENT OF THE AUDIT INSTITUTIONS FOR THE PROJECT OF ABSORPTION AND MERGER OF CGGC THROUGH SHARE SWAP BY CHINA ENERGY

An ordinary resolution will be proposed at the EGM to approve the appointment of the audit institutions for the Project of Absorption and Merger of CGGC through Share Swap by China Energy.

The Company intends to absorb and merge China Gezhouba Group Stock Company Limited* (中國葛洲壩集團股份有限公司) through share swap by the issuance of A shares to all shareholders of China Gezhouba Group Stock Company Limited other than China Gezhouba Group Stock Company Limited (the “**Merger**” or the “**Project of Absorption and Merger of CGGC through Share Swap by China Energy**”). Pursuant to the working arrangement of the Merger of the Company, the Company has to appoint audit institutions to audit and review the financial position of the Company for the past three years, issue a relevant report thereof, provide relevant financial audit information to the securities regulatory authorities of A Shares and H Shares, and offer related consultation and services to the Company.

The Company intends to appoint KPMG Huazhen LLP and KPMG as the special audit institutions of the Merger of the Company by way of tender.

3. STANDARDS ON REMUNERATION PAYMENT OF THE DIRECTORS FOR THE YEAR 2019

An ordinary resolution will be proposed at the EGM to approve the standards on remuneration payment of the Directors for the year 2019 formulated in accordance with internal policies of the Company and relevant regulatory requirements.

Pursuant to the requirements of policies of the SASAC on remuneration management of the heads of central enterprises, the following proposals are hereby put forward regarding the standards on remuneration payment of the Directors of the Company for the year 2019:

- (a) According to the results approved by the SASAC, standard on remuneration payment for the year 2019 of Wang Jianping, chairman of the Board (resigned on 31 August 2020), and Ding Yanzhang, vice chairman of the Board (resigned on 26 May 2020), was RMB807,300, of which basic annual salary and performance salary were RMB221,200 and RMB586,100, respectively. The incentive income for the term of office for the year 2019 will be paid in accordance with the performance assessment result for the year 2022.
- (b) According to the requirements of policies of the SASAC and upon the approval of Assessment and Distribution Bureau (考核分配局) of the SASAC, standard on remuneration payment for the year 2019 of the Director Zhang Xianchong (resigned on 14 January 2020) was RMB726,600, of which basic annual salary and performance salary were RMB199,100 and RMB527,500, respectively. The incentive income for the term of office for the year 2019 will be paid in accordance with the performance assessment result for the year 2022.
- (c) The aforesaid standards are all income before tax, and individual income tax shall be withheld and paid by the Company.

LETTER FROM THE BOARD

EGM

The EGM will be held at Room 2702, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC on Tuesday, 29 December 2020 at 10 a.m. The notice of the EGM, the applicable proxy form for use at the EGM and the relevant reply slip for attendance have been dispatched by the Company to the Shareholders on 13 November 2020 and were also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.ceec.net.cn>). The supplemental notice of the EGM dated 11 December 2020 is enclosed with this circular, for the purpose of notifying the Shareholders the addition of the new resolutions in relation to the appointment of audit institutions for the Project of Absorption and Merger of CGGC through Share Swap by China Energy and the standards on remuneration payment of the Directors for the year 2019 to the agenda of the EGM. The resolution originally proposed to be considered at the EGM and contained in the original notice of the EGM remain unchanged. Please refer to the original notice of the EGM dated 13 November 2020 for details of the resolution originally proposed at the EGM, eligibility for attending the EGM, appointment of proxy and other relevant matters.

Any connected persons, Shareholders and their associates who have a material interest in the transactions contemplated under the Financial Services Framework Agreement will abstain from voting at the EGM. Energy China Group (the controlling shareholder of the Company, together with its associate Electric Power Planning & Engineering Institute Co., Ltd. directly and indirectly held approximately 62.57% of the total issued share capital of the Company as at the Latest Practicable Date) has a material interest in the Financial Services Framework Agreement and the transactions contemplated thereunder. Accordingly, Energy China Group and its associate Electric Power Planning & Engineering Institute Co., Ltd. will abstain from voting on the relevant resolution at the EGM. The number of Shares abstained from voting that are held by Energy China 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 Energy China Group and its associate Electric Power Planning & Engineering Institute Co., Ltd., no other Shareholder has any interests in the Financial Services Framework Agreement and the transactions contemplated thereunder or any other resolutions.

The holders of H Shares and domestic Shares whose names appear on the register of members of the Company on Tuesday, 29 December 2020 are entitled to attend and vote at the EGM. The register of members of the Company will be closed from Sunday, 29 November 2020 to Tuesday, 29 December 2020 (both days inclusive), during which no transfer of Shares can be registered. All transfer documents 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 (for holders of H Shares), or the registered office of the Company at Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC (for holders of domestic Shares) no later than 4:30 p.m. on Friday, 27 November 2020.

A revised proxy form (the “**Revised Proxy Form**”) for use at the EGM is also enclosed with this circular. Whether or not the Shareholders are able to attend the EGM, they are requested to complete and return the Revised Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof (the “**Closing Time**”).

LETTER FROM THE BOARD

Completion and return of the Revised Proxy Form shall not preclude the Shareholders from attending and voting at the EGM or any adjournment thereof should the Shareholders so wish.

The Revised Proxy Form is intended to be used for the resolutions specified in the original notice of the EGM and the supplemental notice of the EGM.

If Shareholders have already lodged the first proxy form, which have been dispatched by the Company to the Shareholders on 13 November 2020 (the “**First Proxy Form**”), with the Company, they should note that:

- (i) if no Revised Proxy Form is lodged with the Company by the Shareholders, the First Proxy Form will be treated as a valid proxy form lodged by the Shareholders, if correctly completed. The proxy so appointed by the Shareholders will be entitled to vote at his/her discretion on any resolution properly put to the EGM other than those referred to in the First Proxy Form, including the new resolutions contained in this circular in relation to the appointment of the audit institutions for the Project of Absorption and Merger of CGGC through Share Swap by China Energy and the standards on remuneration payment of the Directors for the year 2019;
- (ii) if the Revised Proxy Form is lodged with the Company by the Shareholders before the Closing Time, the Revised Proxy Form will supersede the First Proxy Form previously lodged by the Shareholders. The Revised Proxy Form will be treated as a valid proxy form lodged by the Shareholders, if correctly completed. Accordingly, Shareholders are advised to complete the Revised Proxy Form carefully; and
- (iii) if the Revised Proxy Form is lodged with the Company by the Shareholders after the Closing Time, the Revised Proxy Form will be invalid. However, it **WILL REVOKE** the First Proxy Form previously lodged by the Shareholders, and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Revised Proxy Form) of the Shareholders will not be counted in any poll which may be taken on a proposed resolution. In such event, Shareholders who wish to vote at the EGM will have to attend in person and vote at the EGM by themselves. Accordingly, Shareholders are advised **NOT TO** lodge the Revised Proxy Form after the Closing Time.

LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting 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 Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee comprising of all Independent Non-executive Directors has been established to advise the Independent Shareholders in respect of the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof. The Company has appointed BaoQiao Partners as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the same matter.

Your attention is drawn to the letter from the Independent Board Committee set out on page 16 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the content of which is set out on pages 17 to 28 of this circular, is of the view that the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof have been entered into in the ordinary and usual course of business of the Company and on normal commercial terms are fair and reasonable, and are in the interests of the Company and the Shareholders of the Company as a whole. As stated in its letter, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof.

The Directors (including the Independent Non-executive Directors, being members of the Independent Board Committee and having considered the advice of the Independent Financial Adviser) believe that the resolutions mentioned in this circular are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM as set out in the enclosed notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out in this circular.

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

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

11 December 2020

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION OF RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022 and 2023 thereof, details of which are set out in the “Letter from the Board” in the circular dated 11 December 2020 to the Shareholders (the “**Circular**”). Unless the context otherwise requires, terms defined in this letter shall have the same meanings when used in the Circular.

Your attention is drawn to the letter of BaoQiao Partners to the Independent Board Committee and the Independent Shareholders in respect of the same matter as set out in the “Letter from the Independent Financial Adviser” in the Circular. Having taken into account the Letter from the Independent Financial Adviser, we are of the view that the terms of the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022, and 2023 thereof have been entered into in the ordinary and usual course of business of the Company and on normal commercial terms, are fair and reasonable, and are in the best interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the comprehensive credit services under the Financial Services Framework Agreement and the proposed annual caps for 2021, 2022, and 2023 thereof at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Cheung Yuk Ming
*Independent Non-executive
Director*

Zhao Lixin
*Independent Non-executive
Director*

Cheng Niangao
*Independent Non-executive
Director*

* For identification purpose only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from BaoQiao Partners Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



BAOQIAO PARTNERS CAPITAL LIMITED

Unit 2803-2805, 28/F, Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty, Hong Kong

11 December 2020

To the Independent Board Committee and the Independent Shareholders of China Energy Engineering Corporation Limited

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the comprehensive credit services (the “**Credit Services**”) to be provided by Finance Company to Energy China Group and its subsidiaries (excluding the Group) (collectively, the “**ECG Group**”) under the Financial Services Framework Agreement (the “**Non-exempt CCTs**”) and the Proposed Annual Caps of the Non-exempt CCTs for the three years ending 31 December 2023, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 11 December 2020 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 27 October 2020 in respect of, among others, the Financial Services Framework Agreement entered into between the Finance Company and Energy China Group.

The term of the existing financial services framework agreement (the “**2018 Financial Services Framework Agreement**”) entered into between the Finance Company and Energy China Group on 29 January 2018 will expire on 31 December 2020. As both Finance Company and the ECG Group will continue to carry out the transactions thereunder after 31 December 2020, on 27 October 2020, Finance Company and Energy China Group renewed the aforesaid framework agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Finance Company is a subsidiary of the Company and Energy China Group is a controlling shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. With reference to the Letter from the Board, the highest applicable percentage ratio of the Non-exempt CCTs with reference to the annual caps of the Credit Services exceeds 5% but less than 25%, the Non-exempt CCTs constitutes (i) a discloseable transaction subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) continuing connected transactions subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Energy China Group (the controlling shareholder of the Company, together with its associate Electric Power Planning & Engineering Institute Co., Ltd. directly and indirectly held approximately 62.58% of the total issued share capital of the Company as at the Latest Practicable Date) has a material interest in the Financial Services Framework Agreement and the transactions contemplated thereunder. Accordingly, Energy China Group and its associate Electric Power Planning & Engineering Institute Co., Ltd. will abstain from voting on the relevant resolutions at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Yuk Ming, Mr. Zhao Lixin and Mr. Cheng Niangao, has been established to advise the Independent Shareholders in respect of the Non-exempt CCTs. We, BaoQiao Partners Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

In the last two years, prior to the Latest Practicable Date, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Group, Energy China Group and their respective associates that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence as defined under Rules 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have reviewed, among others, the annual report of the Company for the year ended 31 December 2019, the interim report for the six months ended 30 June 2020, the Financial Services Framework Agreement, the 2018 Financial Services Framework Agreement, certain corporate and financial information of Finance Company, and the information set out in the Announcement and the Circular. We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

that all statements of belief, opinion, expectation and representations made by the Management in the Circular and/or discussed with/provided to us were reasonably made after due enquiries and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Management, which have been provided to us.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Group in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs, financial condition and future prospects of the Company, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into the Non-exempt CCTs under the Financial Services Framework Agreement. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the facts, information, representations and opinions made available to us, at the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of approving the Non-exempt CCTs under the Financial Services Framework Agreement, and this letter, except for its inclusion in the Circular and for inspection as required under the Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt CCTs, we have taken into consideration the following factors and reasons:

1. Background Information of the Parties

Information on the Group

As disclosed in the Letter from the Board, the Group is one of the largest comprehensive solution providers for the power industry in the PRC and globally, and is principally engaged in the business of survey, design and consultancy in the power industry, construction and contracting, industrial manufacturing, clean energy, environmental protection and water utilities, investment and other businesses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Information on Finance Company

Finance Company is a limited liability company incorporated in the PRC on 18 January 1996 and approved by China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) (formerly known as “China Banking Regulatory Commission (中國銀行業監督管理委員會)” (“CBIRC”) as a licensed non-bank financial institution on 3 January 1996, with a registered capital of RMB3 billion. As at the Latest Practicable Date, Finance Company is a subsidiary of the Company and is owned as to approximately 93.76% directly and indirectly by the Company and approximately 6.248% directly and indirectly by Energy China Group.

Finance Company is principally engaged in the provision of banking and finance services, including receiving deposit from and providing comprehensive credit services and other financial services to the companies within the Group and the ECG Group and is subject to the regulations promulgated by CBIRC and PBOC from time to time.

Based on the audited financial statements of Finance Company for the year ended 31 December 2019 provided by the Company, Finance Company recorded revenue of approximately RMB1,000.0 million, net interest income of approximately RMB998.4 million and net profit of approximately RMB285.9 million for the year ended 31 December 2019. Finance Company has also complied with the capital ratios requirements in accordance with the regulatory requirement for the year ended 31 December 2019.

As confirmed with the Management, Finance Company has been in compliance with all the rules and regulations of the PRC up to the Latest Practicable Date.

Information on Energy China Group

As disclosed in the Letter from the Board, Energy China Group, the controlling shareholder of the Company, is a wholly state-owned enterprise and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China. The ECG Group is mainly engaged in certain power engineering businesses, research and study on development strategy and planning of power industry, government and industry policies in the power industry and standardization of scientific research and the provision of community services such as health care, education and public security.

Energy China Group has a registered capital of RMB26 billion based on the information published on the website of the National Enterprise Credit Information Publicity System (www.gsxt.gov.cn), and it has been listed in the Fortune Global 500 for 7 consecutive years since 2014 based on the website of Fortune (www.fortune.com). The corporate credit rating of Energy China Group was “AAA” based on the latest available credit rating report on Energy China Group published on website of Shanghai Stock Exchange (www.sse.com.cn) in June 2019.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Reasons for and Benefits of the Non-exempt CCTs

As advised by the Management, Finance Company has been providing financial services, including Credit Services to the Group for years and the ECG Group since 2016. It is common for the group companies in the PRC to set up and maintain a finance company to provide finance services within the group in order to allow financial resources to be better distributed within the group and assist the group companies in reducing financing and transactions costs of financing activities.

With a view to derive synergy from utilising the financial services provided by Finance Company, Finance Company and the ECG Group entered into the financial services framework agreement on 29 March 2016 and renewed such agreement on 29 January 2018 and 27 October 2019 respectively in relation to the provision of a range of financial services by Finance Company including the Credit Services, to the ECG Group.

As reference to the Letter from the Board, the main reasons for and benefits of providing financial services, including Credit Services to the ECG Group include enhancing the stability of the Group's operations and profitability. Not only the Group will continue to generate financial services and interest income from the ECG Group, it will allow for certain degree of concentration of the Group's deposited funds (including deposits from the ECG Group) and provide the Group with higher bargaining power (than when the deposited sum of the ECG Group was split among other financial institutions), which would expedite the monitoring of the use and application of funds within the Group. The Management considers that such transactions are beneficial for Finance Company to make full use of its function as a financial platform to further improve the utilization efficiency and effectiveness of funds, as well as enhance its gains on capital, which is in line with the needs of the Company's operation and development.

Having considered the above and the background of Energy China Group, being a controlling Shareholder with a large capital base and strong financing capabilities, as disclosed in the paragraph headed "Information on Energy China Group" in this letter, the Directors believe and we concur with the Directors' view that it would be in the best interest of Finance Company to continue the provision of financial services, including the Credit Services to the ECG Group.

As the financial services, including the Credit Services, to be provided by Finance Company under the Financial Services Framework Agreement are in line with the principal business of Finance Company and within the business scope approved by CBIRC, we are of the opinion that the Credit Services under the Financial Services Framework Agreement will be entered into in the ordinary and usual course of business of the Group.

3. The Credit Services

Principal terms of the Credit Services

Summarised below are the major terms of the Credit Services, details of which are set out in the section headed "Renewal of Financial Services Framework Agreement" in the Letter from the Board:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date

27 October 2020

Parties

- (1) Finance Company; and
- (2) Energy China Group

Principal Terms

According to the Financial Services Framework Agreement, Finance Company shall assist the ECG Group in receipt and payment of transactional funds, entrusted loans and entrusted investments, acceptance and discount of notes, loans and finance leases.

Term

Three years from 1 January 2021 to 31 December 2023.

Pricing policy

With reference to the Letter from the Board, the interest rate and rate for the 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, such interest rate and rate shall be no less favorable than the interest rate and rate of similar credit services offered by Finance Company to the Group under the same conditions.

Internal Control Measures for the Credit Services

With reference to the Letter from the Board and as advised by the Management, the Company has adopted certain internal control measures in respect of the implementation of the Group's continuing connected transactions. Details of the measures are set out under section headed "Internal Management Procedures for the Implementation of Continuing Connected Transactions" of the Letter from the Board.

As discussed with the Management, in addition to the Internal Management Procedures, Finance Company has adopted practical guidelines to ensure the Non-exempt CCTs will be conducted in accordance with the terms of the Financial Services Framework Agreement, which include:

1. Measures for Administration of Loan Interest Rate* (貸款利率管理辦法) (the "Administrative Measures") – The Administrative Measures have been adopted (subject to annual review) by Finance Company for determining the loan interest rate. As stipulated under the Administrative Measures, the loan interest rate will be determined with reference to the benchmark lending rates stipulated by PBOC from

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

time to time (“**PBOC Rates**”) and adjusted by the standard rating scale (“**Credit Scale**”) of each borrower’s credit rating assessed by Finance Company. For information purposes, the PBOC Rates reflects the lending rates offered by major commercial banks in the PRC to their best clients. In addition, Finance Company has adopted uniform service charges for non-loan Credit Services (“**Standard Charges**”).

2. Credit assessment – All Credit Services applied by members of the ECG Group will be subject to the standard credit assessment procedures carried out by the credit department of Finance Company, including but not limited to, due diligence of the materials provided by the applicants, assessment of credit risk and financing ability of the applicants, cross checking the prior business records with applicants, review the aggregate outstanding balance of Credit Services provided to the ECG Group and finally offering quotations for the Credit Services with reference to the Measures, etc.
3. Review by Loan Review Committee – Each application and the proposed terms of the Credit Services, including the loan interest rate will be reviewed by the loan review committee of Finance Company. The loan review committee would also assess whether the terms of the Credit Services are conducted in accordance with the pricing policy stipulated under the Financial Services Framework Agreement.
4. Final Approval by the General Manager of Finance Company – The general manager of Finance Company will make the final decision on the approval of the application for Credit Services by the ECG Group.
5. Post Examination of Credit Services – Finance Company will conduct regular post examination of the Credit Services granted to the applicants, including but not limited to, obtain quarterly financial statements from applicants and review of the loan performance for all outstanding loans with the ECG Group.

Our Assessment

As advised by the Management and also from our examination of both 2018 Financial Services Framework Agreement and the Financial Services Framework Agreement, the terms of Credit Services under the Financial Services Framework Agreement, except for the Proposed Annual Cap, do not have material difference in comparison with the 2018 Financial Services Framework Agreement.

As confirmed by the Management, Finance Company is neither obliged nor committed to provide the Credit Services to the ECG Group under the Financial Services Framework Agreement and Finance Company has the discretion to approve or reject the Credit Services demanded by the ECG Group with reference to the credit assessment policies of Finance Company.

In assessing the pricing basis of the Credit Services, we have obtained and reviewed the full list (the “**Historical Transaction Summary**”) of the historical Credit Services (“**Historical Non-exempt CCTs**”) provided by Finance Company to the ECG Group under the 2018 Financial Services

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Framework Agreement during the period from 1 January 2018 to 30 September 2020 (the “**Review Period**”). We noted that the Historical Non-exempt CCTs were working capital loans and bank guarantees granted for the members of the ECG Group.

We have obtained from Finance Company and reviewed (i) 5 sets of working capital loans documents and 4 sets of bank guarantees documents for the Historical Non-exempt CCTs during the Review Period (“**Sample Transactions**”), including loan/bank guarantee applications and approval documents, agreements, credit assessment reports, documents of interest/bank charges payments and loan repayments from members of the ECG Group; and (ii) 8 working capital loans and bank guarantees documents provided by Finance Company to the Group companies with similar credit ratings (assessed by Finance Company) as the members of the ECG Group, similar duration and granted in the similar period (the “**Comparable Transactions**”). In addition, we have reviewed the PBOC Rates during the Review Period.

We have also reviewed the Administrative Measures and based on our discussion with the Management, we understand that Finance Company will review the Administrative Measures annually with reference to, among others, the applicable and the direction of the key issues involving PRC economic and regulatory policies, the terms of the credit services offered by the major PRC commercial banks to ensure that its pricing of the Credit Services are comparable to the market.

We noted from the Sample Transactions and the Comparable Transactions that the interest rates/bank charges charged for the Credit Services provided to the ECG Group were determined in accordance with the pricing policy under the 2018 Financial Services Framework Agreement and were in line with or no less favorable than those charged by Finance Company to the Group. In particular, we noted from the Sample Transactions and the Comparable Transactions that (i) the loan interest rates were determined with reference to the PBOC Rates at the material time and adjusted in accordance with the applicable Credit Scale for the members of the Group and the ECG Group; and (ii) the bank charges for bank guarantees were charged with regards to the Standard Charges.

According to the internal control measures mentioned above and our review of the Sample Transactions and Comparable Transactions, after further discussion with the Management and confirmation by the Company that Finance Company and the Company will strictly adhere to the above internal control measures, we consider the Credit Services contemplated under the Financial Services Framework Agreement will continue to follow the internal control measures and the effective implementation of such measures will ensure the fair pricing (i.e. the interest rates/fees) of the Credit Services and compliance with the Group’s connected transaction policies when conducting Non-exempt CCTs under the Financial Services Framework Agreement. We do not doubt the effectiveness of the implementation of the internal control procedures for the Credit Services.

Based on the above, we concur with the Directors’ view that the terms of Credit Services, including the pricing policy of the interest rates/fees of the Credit Services are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Annual Caps

The table below sets forth (i) the historical maximum amount of the Credit Services provided by Finance Company to the ECG Group for the two years ended 31 December 2019 and for the nine months ended 30 September 2020 together with the existing annual caps for the three years ending 31 December 2020; and (ii) the Proposed Annual Caps for the three years ending 31 December 2023 (the “**Proposed Annual Caps**”):

	For the year ended 31 December 2018 <i>RMB' billion</i>	For the year ended 31 December 2019 <i>RMB' billion</i>	For the year ending 31 December 2020 <i>RMB' billion</i>
Highest daily balance of Credit Services	0.395	1.565	1.574 <i>(Note)</i>
Existing annual caps	1.6	1.6	1.6
Utilisation rate	24.7%	97.8%	98.4%

Note: The amount represented the maximum daily balance of Credit Services provided by Finance Company to the ECG Group for the nine months ended 30 September 2020.

	For the year ending 31 December 2021 <i>RMB' billion</i>	For the year ending 31 December 2022 <i>RMB' billion</i>	For the year ending 31 December 2023 <i>RMB' billion</i>
Proposed Annual Caps	4.0	4.0	4.0

Basis for Determining the Proposed Annual Caps

The basis for determining the Proposed Annual Caps for the three years ending 31 December 2023 are set out under sub-section headed “Basis for Determining the Proposed Annual Caps” of the section headed “Renewal of Financial Services Framework Agreement” of the Letter from the Board.

As shown in the above table, the maximum daily balance of the Credit Services significantly increased from RMB0.395 billion for the year ended 31 December 2018 to RMB1.565 billion and RMB1.574 billion for the years ended 31 December 2019 and 31 December 2020 respectively. In addition, the utilisation rate of the existing annual caps increased from approximately 24.7% for the year ended 31 December 2018 to approximately 97.8% and 98.4% for the year ended 31 December 2019 and for the nine months ended 30 September 2020 respectively.

As stated in the Letter from the Board, the Proposed Annual Caps of RMB4 billion for each of the three years ending 31 December 2023 represent an increase of RMB2.4 billion as compared to the existing annual cap of RMB1.6 billion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness of the Proposed Annual Caps, we noted that, as disclosed in the Letter from the Board, Finance Company has increased capital collection while the average balance of deposits has been increasing in recent years. The savings funds used for providing Credit Services increased followed by the increase in comprehensive credit capacity.

According to the audited financial statements of Finance Company for the year ended 31 December 2019, the cash and bank balances of Finance Company were approximately RMB23.9 billion as at 31 December 2019 and it had customers deposits of approximately RMB59.7 billion as at 31 December 2019, representing an increase of approximately RMB14.4 billion or 31.8% as compared to approximately RMB45.3 billion as at 31 December 2018. In addition, the aggregate loan balances of Finance Company reached approximately RMB32.5 billion as at 31 December 2019 as compared to approximately RMB21.6 billion as at 31 December 2018 while the net interest income from loan services increased from approximately RMB444.4 million for the year ended 31 December 2018 to approximately RMB547.4 million for the year ended 31 December 2019.

Based on our discussion with the Management, in determining the Proposed Annual Caps for Credit Services for the three years ending 31 December 2023, the Management has considered the cash position of Finance Company and the maximum amount of exposure at any time Finance Company prepared to assume for the Credit Services in the context of the cash flow of Finance Company and we noted that the Proposed Annual Caps of RMB4 billion represents only approximately 16.7% of the cash and bank balances of Finance Company as at 31 December 2019. In addition, in order to achieve effective treasury management and fund deployment within the Group, we understand from the Management that the Group will continue to reallocate additional funds from independent commercial banks in the PRC to Finance Company in the coming years with a view to enhance the capital and liquidity base of Finance Company. The historical and expected growth of deposits can greatly facilitate deployment of the Group's surplus funds and the provision of Credit Services to the ECG Group.

As stated in the Letter from the Board, with the continuous expansion of the business scale of Finance Company and the increase in demand for deposits and loans of the ECG Group, it is expected that the credit scale provided to the ECG Group will continue to grow during 2021 to 2023. We noted from the Management that both Finance Company and the ECG Group have also considered the financing needs of the ECG Group in determining the Proposed Annual Caps and we have obtained from the Management the forecast of Credit Services for the three years ending 31 December 2023 prepared by the ECG Group. We noted that the expected demand of Credit Services amounting to approximately RMB3.95 billion, of which the liquidity financing plans of the ECG Group will be RMB2.15 billion (including existing loan refinancing amounting to approximately RMB1.5 billion), and the financing/bank guarantee requirements for certain projects to be undertaken/participated by the ECG Group will be approximately RMB1.8 billion in the coming three years.

We noted that the above forecast represented a substantial increase in the amount of Credit Services to be provided by Finance Company and the Proposed Annual Caps as compared to the existing annual cap. Based on our discussion with the Management, given the background (i.e. as a controlling shareholder of the Company with strong financial position) and the ongoing business relationship with ECG Group, both parties intend to strengthen their capital and financing management via the capital management platform of Finance Company with a view to increase the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

utilization efficiency of funds as well as lower and prevent financial risks of both parties, and thus the use of the financial services platform (including the Credit Services) of Finance Company by the ECG Group will continue to increase under the Financial Services Framework Agreement for the three years ending 31 December 2023.

After considering, (i) the utilization rate of the Credit Services is growing and almost reached 100% or RMB1.6 billion for the year ended 31 December 2019 and up to 30 September 2020; (ii) the expanding business scale of Finance Company; (iii) the forecast of Credit Services of the ECG Group for the three year ending 31 December 2023 and the increasing utilization of financial services of Finance Company by the ECG Group is in line with the financial/capital management strategy of both Finance Company and the ECG Group, we are of the view that the Proposed Annual Caps are fair and reasonable so far as the independent Shareholders are concerned.

5. Listing Rules Implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Non-exempt CCTs must be restricted by the Annual Caps for the period concerned under the Financial Services Framework Agreement; (ii) the terms of the Non-exempt CCTs must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Financial Services Framework Agreement must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Non-exempt CCTs (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the Annual Caps. In the event that the total amounts of the Non-exempt CCTs are anticipated to exceed the Annual Caps, or that there is any proposed material amendment to the terms of the Financial Services Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Non-exempt CCTs and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Non-exempt CCTs are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Non-exempt CCTs are in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Non-exempt CCTs and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,

For and on behalf of

BaoQiao Partners Capital Limited

Monica Lin Irene Poon

Managing Director Executive Director

Ms. Monica Lin is a responsible person registered under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for BaoQiao Partners Capital Limited and has over 20 years of experience in corporate finance industry.

Ms. Irene Poon is a responsible person registered under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for BaoQiao Partners Capital Limited and has over 20 years of experience in the accounting and corporate financial services industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

2. DIRECTORS' INTERESTS

- (1) As at the Latest Practicable Date, none of the Directors, supervisors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, supervisors or chief executives or their respective associates were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules.
- (2) As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2019 (being the date on which the latest published audited consolidated accounts of the Company were prepared) been acquired, disposed of or leased by the Company or any of its subsidiaries, or are proposed to be acquired, disposed of or leased by the Company or any of its subsidiaries.
- (3) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.
- (4) As at the Latest Practicable Date, the following Directors are directors or employees of the other company having an interest or short position in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name	Positions in the entity disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO
Song Hailiang	Chairman of Energy China Group
Sun Hongshui	Director and general manager of Energy China Group

3. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors and their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, after the reasonable enquiry by the Directors of the Company, the persons below (other than the Directors, supervisors and chief executives of the Company) have interests or short positions in the Shares or underlying Shares which have to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and which are recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders	Class of shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the Company's total issued share capital (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's issued domestic Shares (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's issued H Shares (%) ⁽¹⁾
Energy China Group ⁽²⁾	Domestic Shares	Beneficial owner	18,107,684,022(L)	60.32	87.23	-
		Interest of controlled corporation	98,542,651(L)	0.33	0.47	-
China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) ⁽³⁾	Domestic Shares	Beneficial owner	578,884,000(L)	1.93	-	6.25
		Beneficial owner	2,029,378,794(L)	6.76	9.78	-
China Huaxing Group Company (中國華星集團公司) ⁽³⁾	H Shares	Interest of controlled corporation	633,704,000(L)	2.11	-	6.84
		Interest of controlled corporation	633,704,000(L)	2.11	-	6.84
China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司) ⁽³⁾	H Shares	Beneficial owner	633,704,000(L)	2.11	-	6.84
Buttonwood Investment Holding Company Ltd. ⁽⁴⁾	H Shares	Interest of controlled corporation	1,462,338,000(L)	4.87	-	15.79
Silk Road Fund Co., Ltd. (絲路基金有限責任公司) ⁽⁴⁾	H Shares	Beneficial owner	1,462,338,000(L)	4.87	-	15.79
Central Huijin Investment Ltd. ⁽⁵⁾	H Shares	Interest of controlled corporation	961,300,000(L)	3.20	-	10.38

Name of shareholders	Class of shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the Company's total issued share capital (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's issued domestic Shares (%) ⁽¹⁾	Approximate percentage of shareholding in the Company's issued H Shares (%) ⁽¹⁾
China Construction Bank Corporation ⁽⁵⁾	H Shares	Investment manager	961,300,000(L)	3.20	-	10.38
State Grid Corporation of China ⁽⁶⁾	H Shares	Interest of controlled corporation	974,892,000(L)	3.25	-	10.53
State Grid International Development Co., Ltd. ⁽⁶⁾	H Shares	Interest of controlled corporation	974,892,000(L)	3.25	-	10.53
State Grid International Development Limited ⁽⁶⁾	H Shares	Beneficial owner	974,892,000(L)	3.25	-	10.53
E Fund Management Co., Ltd (易方達基金管理有限公司)	H Shares	Investment manager	961,300,000(L)	3.20	-	10.38

Notes: Letter “L” means long position in the securities and letter “S” means short position in the securities.

- (1) The calculation is based on the approximate shareholding in the Company's 9,262,436,000 issued H Shares, 20,757,960,364 issued domestic Shares and 30,020,396,364 Shares of the total issued share capital as at the Latest Practicable Date.
- (2) Electric Power Planning & Engineering Institute Co., Ltd. is a wholly-owned subsidiary of Energy China Group and is interested in the 98,542,651 domestic Shares, representing 0.47% of the domestic share capital of the Company. Therefore, Energy China Group is deemed to be interested in the domestic Shares held by Electric Power Planning & Engineering Institute Co., Ltd.
- (3) These Shares are directly held by China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司). China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司) is wholly owned by China Huaxing Group Company (中國華星集團公司); and China Huaxing Group Company (中國華星集團公司) is wholly owned by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司). Therefore, China Huaxing Group Company (中國華星集團公司) and China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) are deemed to be interested in Shares held by China Huaxing (Hong Kong) International Co., Ltd. (中國華星(香港)國際有限公司).
- (4) These Shares are directly held by Silk Road Fund Co., Ltd. Buttonwood Investment Holding Company Ltd. holds 65% equity interests in Silk Road Fund Co., Ltd. Therefore, Buttonwood Investment Holding Company Ltd. is deemed to be interested in Shares held by Silk Road Fund Co., Ltd.
- (5) Central Huijin Investment Ltd. holds 57.31% equity interests in China Construction Bank Corporation. Therefore, Central Huijin Investment Ltd. is deemed to be interested in Shares held by China Construction Bank Corporation.

- (6) These Shares are directly held by State Grid International Development Limited. State Grid International Development Limited is wholly-owned by State Grid International Development Co., Ltd.; while the latter is wholly-owned by State Grid Corporation of China. Therefore, State Grid International Development Co., Ltd. and State Grid Corporation of China are deemed to be interested in the Shares held by State Grid International Development Limited.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Directors, there were no other persons who had interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or was proposing to enter into any service contracts with the Company or any of its subsidiaries, excluding contracts expiring or terminable within one year without payment of compensation (other than statutory compensation).

6. EXPERT'S DISCLOSURE OF INTERESTS AND CONSENT

- (1) As at the Latest Practicable Date, BaoQiao Partners, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, did not have any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (2) As at the Latest Practicable Date, BaoQiao Partners did not have any direct or indirect interests in any assets which have been acquired or disposed of or leased to or which were proposed to be acquired, disposed of or leased by any member of the Group since 31 December 2019, being the date to which the latest published audited consolidated accounts of the Company were made up.
- (3) BaoQiao Partners issued a letter dated 11 December 2020 for the purpose of incorporation in this circular in connection with its recommendation to the Independent Board Committee and the Independent Shareholders.
- (4) BaoQiao Partners has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of recommendation and reference to its name in the form and context in which they appear.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any working day (public holidays excepted) at the Company's principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong from the date of this circular up to and including the date of the EGM:

- (1) the Financial Services Framework Agreement;
- (2) the letter from the Independent Board Committee to the Independent Shareholders as set out on page 16 of this circular;
- (3) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 17 to 28 of this circular;
- (4) the written consent of BaoQiao Partners referred to in paragraph 6 of this appendix; and
- (5) this circular.

8. GENERAL INFORMATION

- (1) As some enterprises of the Company are located in regions mostly exposed to the COVID-19 pandemic, and relevant businesses of the Company were affected by pandemic control and prevention measures which caused the delay in project progress, the Company's unaudited net profit attributable to the owners of the parent company for the three months ended 31 March 2020 was RMB-300,121,183.22, representing a decrease of RMB1,012,962,579.51 as compared with the same period last year. The unaudited net profit attributable to the equity holders of the Company for the six months ended 30 June 2020 was RMB919,029,000, representing a decrease of RMB1,238,558,000 as compared with the same period last year. As at the Latest Practicable Date, save as disclosed in this circular, the Directors were not aware of any material adverse change in the Group's financial or trading position since 31 December 2019, being the date on which the latest published audited consolidated accounts of the Company were prepared.
- (2) The registered office of the Company is Room 01-2706, 1-24/F, Building 1, No. 26A West Dawang Road, Chaoyang District, Beijing, the PRC.
- (3) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (4) The joint company secretaries of the Company are Mr. Duan Qiurong and Ms. Leung Suet Wing. Ms. Leung Suet Wing is a manager of TMF Hong Kong Limited. She has over 9 years of professional company secretarial experience. She is a member of the Hong Kong Institute of Chartered Secretaries and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom.

**SUPPLEMENTAL NOTICE OF THE SECOND
EXTRAORDINARY GENERAL MEETING OF 2020**



**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)

**SUPPLEMENTAL NOTICE OF THE SECOND
EXTRAORDINARY GENERAL MEETING OF 2020**

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the second extraordinary general meeting of 2020 (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, 29 December 2020 at 10 a.m. to consider and, if thought fit, to pass the following resolutions (save for the resolution contained in the original notice of the EGM of the Company dated 13 November 2020). Unless the context otherwise specified, the capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 11 December 2020.

AS ORDINARY RESOLUTIONS

2. To consider and approve the appointment of the audit institutions for the Project of Absorption and Merger of CGGC through Share Swap by China Energy
3. To consider and approve the standards on remuneration payment of the Directors for the year 2019

By order of the Board

CHINA ENERGY ENGINEERING CORPORATION LIMITED*

Song Hailiang

Chairman

Beijing, the PRC
11 December 2020

As at the date of this notice, the executive directors of the Company are Mr. Song Hailiang, Mr. Sun Hongshui and Mr. Ma Mingwei; the non-executive directors are Mr. Liu Xueshi and Mr. Si Xinbo; and the independent non-executive directors are Mr. Cheung Yuk Ming, Mr. Zhao Lixin and Mr. Cheng Niangao.

* For identification purpose only

**SUPPLEMENTAL NOTICE OF THE SECOND
EXTRAORDINARY GENERAL MEETING OF 2020**

Notes:

1. Save for the new resolutions proposed, there is no other changes to the resolution contained in the notice of EGM dated 13 November 2020. Please refer to the notice of the EGM dated 13 November 2020 and this circular for the other resolutions to be considered at the EGM, eligibility for attending the EGM and other relevant matters.
2. A revised proxy form is enclosed with this supplemental notice of the EGM of the Company.
3. The holders of H Shares and domestic Shares whose names appear on the register of members of the Company on Tuesday, 29 December 2020 are entitled to attend and vote at the EGM.
4. Shareholders who intend to appoint a proxy shall complete and return the enclosed revised proxy form in accordance with the instructions printed thereon and return it no later than 24 hours before the time designated to hold the EGM or any adjournment thereof.