

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



**CGN NEW ENERGY HOLDINGS CO., LTD.**

**中國廣核新能源控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1811)**

## **Inside Information Voluntary Winding-Up of a Subsidiary**

This announcement is made in accordance with Rule 13.25(1)(c) of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

### **VOLUNTARY WINDING-UP OF NANYANG GENERAL LIGHT**

The Board wishes to inform the shareholders and potential investors of the Company that on 15 April 2020, the Board resolved to commence the voluntary winding-up procedures of Nanyang General Light, an indirect non-wholly owned subsidiary of the Company.

### **INFORMATION ON NANYANG GENERAL LIGHT**

Nanyang General Light is a Sino-foreign cooperative joint venture with limited liability established in the PRC on 1 January 1997 with a registered capital of RMB476,667,000. The Company holds 85% interest in NGLE Pushan Power (BVI) Limited, which holds 100% interest in NGLE Pushan Power Limited, which in turns holds 70% interest in Nanyang General Light. The approved duration of operation of Nanyang General Light is up to 31 December 2020. Nanyang General Light is principally engaged in the generation and supply of electricity and other related services in Nanyang city, Henan Province, with an attributable installed capacity of 250 MW, representing 3.98% of the total energy portfolio of the Group as at 31 December 2019.

As one or more of the percentage ratios as defined in Rule 14.04(9) for Nanyang General Light for the year ended 31 December 2019 are 5% or more, Rule 13.25(1)(c) applies to Nanyang General Light according to Rule 13.25(2) of the Listing Rules.

## REASONS FOR VOLUNTARY WINDING-UP OF NANYANG GENERAL LIGHT

Due to the continued drought in Nanyang City since the second half of 2018, Nanyang General Light received written notice from the Water Resources Bureau of Wolong District and Longwanggou Reservoir and Zhonggangmiao Reservoir Management Office, that water supply to Nanyang General Light would cease as from 1 January 2020. As such, Nanyang General Light was forced to suspend production starting from 31 December 2019.

In addition, the term of the first supplementary agreement of the electricity procurement contract entered into between Henan Electric Power Company and Nanyang General Light on 14 November 1996 (the “**Electricity Purchase Contract**”) is due to expire on 1 November 2020. In accordance with the spirit of the NDRC’s “Notice on Further Improving the Elimination of Backward Production Capacity in the Coal Power Industry” (《關於進一步做好煤電行業淘汰落後產能工作的通知》), an enterprise can seek economic compensation for the transfer of power generation rights within a certain period for advance cessation of production. Considering the time required to dismantle the machinery and equipment, reallocate relevant employees to other enterprises (as applicable) and arrange for shutdown and inspection, etc., production of Nanyang General Light will need to be ceased before the expiry of the term of the Electricity Purchase Contract. Depending on the economic compensation for the transfer of power generation rights, Nanyang General Light may need to extend the terms of its business license beyond its initial term, i.e. 31 December 2020.

In light of the aforementioned reasons, and taking into account the relevant economic, operational and maintenance risks, as well as health and environmental risks involved, the Board is of the view that the resumption of production would not be in the interests of Nanyang General Light. Accordingly, the Board has resolved to cease production of Nanyang General Light, commence procedures for its voluntary winding-up and engage the relevant professional parties for the voluntary winding-up. The Board is of the view that the voluntary winding-up of Nanyang General Light is in the best interests of the Company and its shareholders as a whole.

## **POSSIBLE EFFECT OF THE VOLUNTARY WINDING-UP OF NANYANG GENERAL LIGHT ON THE GROUP**

Upon completion of the winding-up, Nanyang General Light will cease to be a subsidiary of the Company and the financial results and position of Nanyang General Light will be deconsolidated from that of the Group. The Board does not expect the voluntary winding-up of Nanyang General Light will have any material adverse impact on the financial position and business operations of the Group.

As at the date of this announcement, the Group is a diversified independent power producer in Asia in terms of fuel type and geography, with a portfolio of gas-fired, coal-fired, oil-fired, wind, solar, hydro, cogen and fuel cell projects and a steam project in the PRC and Korea.

Further announcement(s) will be made by the Company as and when appropriate if there is any material progress regarding the voluntary winding-up of Nanyang General Light.

## **DEFINITIONS**

“Board”	the board of directors of the Company
“Company”	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Korea”	the Republic of Korea
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Nanyang General Light”	Nanyang General Light Electric Co., Ltd. (南陽普光電力有限公司), a Sino-foreign cooperative joint venture company with limited liability established in the PRC on 1 January 1997

“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“PRC”	The People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board  
**CGN New Energy Holdings Co., Ltd.**  
**Li Yilun**  
*President and Executive Director*

Hong Kong, 15 April 2020

*As at the date of this announcement, the Board comprises seven Directors, namely:*

<i>Chairman and non-executive Director</i>	:	<i>Mr. Chen Sui</i>
<i>Executive Directors</i>	:	<i>Mr. Li Yilun (President) and Mr. Zhang Zhiwu</i>
<i>Non-executive Director</i>	:	<i>Mr. Xing Ping</i>
<i>Independent non-executive Directors</i>	:	<i>Mr. Wang Minhao, Mr. Yang Xiaosheng and Mr. Leung Chi Ching Frederick</i>