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CGN Power Co., Ltd.*

中國廣核電力股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1816)

MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Board announces that, on March 15, 2023, the Board has considered and approved the resolutions in relation to entering into the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement with CGN, which will be submitted at the 2022 AGM for the Independent Shareholders' consideration and approval. CGN Group will abstain from voting on the ordinary resolutions on matters in relation to the above two framework agreements at the 2022 AGM.

A circular containing, among other things, (i) details of the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement, the Continuing Connected Transactions contemplated thereunder and the proposed annual caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the 2022 AGM will be despatched to the Shareholders on or before April 6, 2023.

As at the date of this announcement, CGN, which holds approximately 58.91% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Pursuant to Rule 14A.07 of the Listing Rules, CGN and its associates are connected persons of the Company. Therefore, the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the transactions contemplated under the 2024-2026 Financial Services Framework Agreement by the Group and CGN and/or its associates will constitute Continuing Connected Transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14.07 of the Listing Rules, (i) as one or more of the applicable percentage ratios calculated in respect of the proposed annual caps of the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement exceed 5% but all of the applicable percentage ratios are less than 25% on an annual basis, the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the transactions contemplated thereunder will constitute non-exempt Continuing Connected Transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements; and (ii) as one or more of the applicable percentage ratios calculated in respect of the proposed annual caps of the transactions contemplated under the 2024-2026 Financial Services Framework Agreement exceed 25% but all of the applicable percentage ratios are less than 100% on an annual basis, the 2024-2026 Financial Services Framework Agreement and the transactions contemplated thereunder will constitute major transactions and non-exempt Continuing Connected Transactions under Chapter 14 and Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements.

I. INTRODUCTION

The Board announces that, on March 15, 2023, the Board has considered and approved the resolutions in relation to entering into the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement with CGN, which will be submitted at the 2022 AGM for the Independent Shareholders' consideration and approval. CGN Group will abstain from voting on the ordinary resolutions on matters in relation to the above two framework agreements at the 2022 AGM.

As at the date of this announcement, CGN, which holds approximately 58.91% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Pursuant to Rule 14A.07 of the Listing Rules, CGN and its associates are connected persons of the Company. Therefore, the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the transactions contemplated under the 2024-2026 Financial Services Framework Agreement by the Group and CGN and/or its associates will constitute Continuing Connected Transactions of the Company pursuant to Chapter 14A of the Listing Rules.

II. 2024-2026 NUCLEAR FUEL SUPPLY AND SERVICES FRAMEWORK AGREEMENT

Background: The Company entered into the nuclear fuel supply and services framework agreement with CGN on November 21, 2014, with a term until December 31, 2023 after making a special application to the Hong Kong Stock Exchange. When it acquired Fangchenggang Nuclear, Lufeng Nuclear and CGN Engineering in 2016, the Company entered into a supplemental agreement to the nuclear fuel supply and services framework agreement with CGN on September 25, 2016, with a term until December 31, 2023. As a continuation of the above agreement, the Company has entered into the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement with CGN on March 15, 2023, pursuant to which, CGN Group will provide the following to the Group: (i) natural uranium supply and services (agent purchasing and direct supply); (ii) nuclear fuel general contracting services; (iii) spent fuel storage and transportation services; and (iv) other nuclear fuel supply and services.

The 2024-2026 Nuclear Fuel Supply and Services Framework Agreement will be valid and effective from January 1, 2024 to December 31, 2026. Separate contracts will be entered into between relevant entities of both parties, which will formulate the specific terms and conditions in accordance with the principles provided in the above agreements, and the related service fees will be settled with self-owned funds.

Reasons and Benefits for the Transactions:

- (1) The continuous supply of nuclear fuel is essential to the operation of nuclear power plants. Nuclear fuel is subject to regulation on a global scale, and the nuclear fuel industry is strictly regulated across all countries in the world. China is one of the signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), thus it is supervised by the International Atomic Energy Agency (IAEA), and must meet the relevant requirements of the NPT. The PRC government places strict controls on the nuclear fuel industry. According to the PRC government's regulation policy on the nuclear fuel industry, only enterprises that have obtained a state license can engage in the procurement of overseas uranium products, while all other enterprises are not allowed to directly purchase natural uranium and nuclear fuel assemblies from overseas suppliers. At present, CGN Uranium, China Nuclear Energy Industry Co., Ltd. and State Nuclear Power Uranium Resources Development Co., Ltd. are the only domestic entities that have the exclusive qualifications for the import and export of uranium products. Only these three companies in China are able to carry out business related to the import and export of uranium products. The procurement of the abovementioned services by the Company from CGN Uranium is in line with the industry practice in China.
- (2) CGN Group has provided the Group with nuclear fuel supply and services for a long time, and is familiar with the operation of the Group. The continual procurement of services from CGN Group can ensure the stable supply of nuclear fuel supply and services. The nuclear power plants under the Group entered into and implemented long-term nuclear fuel procurement and supply services agreements with CGN Uranium, and the nuclear power projects of the Group can obtain long-term and stable nuclear fuel supply at reasonable prices.

Pricing policy and its application: The following guiding principles of pricing shall apply to the related services contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement in the following order:

- (1) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular type of products or services, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price will be agreed by reference to the government-guided price.

Currently, neither a government-prescribed price nor a government-guided price is applicable to the services under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement, but the Company will continue to closely track the update of the relevant government-prescribed price and government-guided price, and adopt any of the applicable government-prescribed price and government-guided price, if any, in future.

- (2) Market price: the price of the same or similar products, technology or services provided by an Independent Third Party during the ordinary course of business on normal commercial terms; and

Such pricing principle is mainly applicable to spent fuel storage and transportation services and services of purchasing test samples of nuclear fuel assemblies required for research & development. Such services do not fall within the scope of mandatory procurement through public bidding in accordance with the Regulation on the Implementation of the Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》). According to the Company's procurement procedures, the Company invites a number of specified bidders to participate in project bidding. The number of bidders invited is usually no less than two.

- (3) Agreed price: the price to be determined by adding a reasonable profit over a reasonable cost.

Such pricing principle is mainly applicable to natural uranium supply, conversion, enrichment and assembly processing services. The general principle of CGN Uranium in charging fees is to ensure the long-term stable supply of nuclear fuel assemblies required by the Group, because the prices of related services are related to international and domestic market conditions to a certain extent, and the pricing of the related services mainly takes into account the cost of supply. The costs of these services mainly include the production cost of nuclear fuel or the cost of purchasing nuclear fuel, conversion, enrichment and assembly processing services in the market. This pricing principle is also applicable to the same services provided by CGN Uranium to the Company's associate, which is consistent with the pricing principles for the same services purchased by that associate from Independent Third Parties.

In addition to the above guiding principles of pricing, as the Company directly purchases nuclear fuel assemblies from CGN, after arm's length negotiations between the Company and CGN, the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement stipulates that:

- (1) The pricing of various nuclear fuel related services included in the nuclear fuel assembly is as follows:
- (i) Natural uranium: a pricing mechanism that combines a fixed price and a price linked to market indexes. The fixed price is mainly composed of a basic price and a floating price. Among them, the basic price is mainly determined according to the production cost or procurement cost of CGN Uranium, while the floating price is mainly determined by adding a certain mark-up amount over the basic price according to the expected inflation rate every year. The price linked to market indexes is mainly determined based on the natural uranium price indexes regularly published by two international nuclear power industry consulting companies, namely UxConsultingCompany ("UxC") and/or TradeTech. The pricing mechanism that combines the fixed price and the price linked to market indexes can not only ensure the stable supply of natural uranium, but can also give an additional advantage to cost adjustment by virtue of market flexibility;

(ii) Conversion, enrichment, assembly processing and others: CGN Uranium purchases conversion, enrichment and other services from multiple suppliers at home and abroad to ensure its supply of fuel processing services. The specific pricing method is composed of:

- Pricing basis: Pursuant to the relevant policy requirements (such as nuclear fuel processing) in China; with reference to the characteristics of international and domestic nuclear fuel markets; with an aim to meet the needs for fuel supply of the nuclear power plants of the Group in terms of safety, economic efficiency and reliability;
- International market conditions: Based on the current and future supply and demand expectations in the international market, consideration is made while taking the fuel market indexes announced and projected by international market consulting agencies (UxC and TradeTech) as reference; and
- Domestic price levels: Consideration is made according to the characteristics and cost levels of the domestic market.

The above fees stated in (i) and (ii) cover the direct costs of natural uranium, conversion, enrichment, assembly processing and others, as well as the indirect costs of assembly processing supervision, technical support, inventory, management costs and etc., involved in the supply of nuclear fuel assemblies.

- (2) Spent fuel storage and transportation services: mainly comprise services for the transportation of radioactive materials. Suppliers with qualifications for the transportation of radioactive materials are limited in China, and most of which are competitors of CGN Group. For such business, the Group usually conducts price consultation on the suppliers that meet the qualification requirements first. If two or more suppliers are willing to provide price quotations, the Group determines the suppliers by comparing their quotations. In case that no supplier is willing to provide price quotation due to competition, the Group negotiates with CGN Group to determine the price with reference to the survey prices; and
- (3) Other nuclear fuel supply and services: mainly comprise test samples of nuclear fuel assemblies and related services required by the Group to carry out research & development relating to nuclear fuel assemblies. For those with historical records of purchasing similar test samples from Independent Third Parties, the purchase price shall be determined with reference to the historical purchase prices, the characteristics of the items to be purchased, and the increase in materials and labor costs.

Termination: Before the termination of the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement, both parties may jointly negotiate for the signing of a new agreement to ensure the normal production and operation of both parties.

Historical amounts: The fees paid/payable by the Group to CGN Group in respect of nuclear fuel supply and services for the three years ended December 31, 2020, 2021 and 2022 are set out below:

	Year ended December 31, <i>(RMB100 million)</i>		
	2020	2021	2022
Total fees paid/payable by the Group to CGN Group	4.89	81.23	96.92

Proposed annual caps: The maximum annual amounts for the years 2024, 2025 and 2026 shall not exceed the caps as set out in the table below:

	Existing approved annual cap 2023	Year ended December 31, <i>(RMB100 million)</i>		
		Proposed annual caps		
		2024	2025	2026
Total fees paid/payable by the Group to CGN Group	114.57	119.60	162.90	159.70

Basis of caps: In determining the above proposed annual caps, the Directors have considered, among other factors:

- (i) the historical transaction amounts for nuclear fuel supply and services provided by CGN Group to the Group;
- (ii) the refuelling outage plan of the nuclear power generating units in operation and the commissioning plan of the nuclear power generating units under construction of the Group, for example, Fangchenggang Unit 3 and Unit 4 will be put into commercial operation in the coming two years;
- (iii) our expected increase in demand for nuclear fuel supply and services due to business expansion. For example, based on an undertaking made by CGN, upon the fulfillment of specific conditions, the retained nuclear power business owned by CGN in the PRC will be transferred to the Company;
- (iv) the value of existing contracts for the procurement of nuclear fuel supply and services, together with the relevant delivery dates for nuclear fuel supply and services under such contracts; and
- (v) the expected increase in the costs of manufacturing, importing and transportation of nuclear fuel assemblies due to inflation and market changes.

In determining the demand for nuclear fuel supply and services of the Group for the three years ending December 31, 2026, the Directors have considered, among other factors: (a) the increase from the existing annual cap of approximately RMB11,457 million for the year ending December 31, 2023 to the proposed annual cap of approximately RMB11,960 million for the year ending December 31, 2024, representing a difference of approximately RMB503 million, which is mainly due to, among others, (i) according to the outage plan of the generating units in operation and the plan for loading of the first furnace of nuclear fuel of the generating units under construction, the number of nuclear fuel assemblies to be delivered in 2024 will be slightly more than that in 2023, and the volume of nuclear fuel assembly supply services accepted will increase; (b) the increase from the existing annual cap of approximately RMB11,960 million for the year ending December 31, 2024 to the proposed annual cap of approximately RMB16,290 million for the year ending December 31, 2025, representing a difference of approximately RMB4,330 million, which is mainly due to, among others, according to the refuelling outage plan of the generating units in operation and the plan for loading of the first furnace of nuclear fuel of the generating units under construction, the frequency of delivering nuclear fuel assemblies in 2025 will increase compared to that in 2024, and the volume of nuclear fuel assembly supply services accepted will increase; and (c) according to the outage plan of the generating units in operation and the plan for loading of the first furnace of nuclear fuel of the generating units under construction, the change between the proposed annual cap for the year ending December 31, 2026 and the proposed annual cap for the year ending December 31, 2025 is expected to be small.

Directors' views: Taking into account the established business relationship and cooperation between the Group and CGN Group in respect of the nuclear fuel related services, the Directors (including the independent non-executive Directors) are of the view that the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the proposed annual caps set forth above are entered into during the Group's ordinary and usual course of business on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Listing Rules implications: As at the date of this announcement, CGN, which holds approximately 58.91% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Pursuant to Rule 14A.07 of the Listing Rules, CGN and its associates are connected persons of the Company. Therefore, the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement by the Group and CGN and/or its associates will constitute Continuing Connected Transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14.07 of the Listing Rules, as one or more of the applicable percentage ratios calculated in respect of the proposed annual caps of the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement exceed 5% but all of the applicable percentage ratios are less than 25% on an annual basis, the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the transactions contemplated thereunder will constitute non-exempt Continuing Connected Transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement.

Risk control measures: The Company has established a series of internal control measures, including formulating the “Management Rules on Connected Transactions of CGN Power Co., Ltd.”, “Management Procedures on Connected Transactions of CGN Power Co., Ltd.” and a connected transaction management system to standardize and stipulate the pricing policies and mechanism, the assignment of responsibility and decision making authority to ensure the Continuing Connected Transactions are conducted in accordance with their respective framework agreements, and that the pricing policies will be strictly complied with. We will evaluate the Continuing Connected Transactions on at least a quarterly basis.

In particular, the applicable guiding principles and relevant internal control measures are as follows:

- (1) For the purpose of the principles of government price, the Group reviews the relevant government-prescribed price or government-guided price to ensure that the price of the connected transaction with CGN Group complies with the relevant government-prescribed price or government-guided price;
- (2) For the purpose of the principles of market price, the Group reviews the terms provided by the Independent Third Parties, and ensures that the principal terms provided by CGN Group are no less favourable to the Group than those provided by the Independent Third Parties;
- (3) For the purpose of the principles of agreed price, if both the principles of the government price and market price are not applicable, the price with CGN Group will be determined by adding a reasonable profit over a reasonable cost, and the Group will ensure that the relevant profit is no less favourable than that provided by the Independent Third Parties; and
- (4) The Group will engage auditors to review the connected transactions between the Group and CGN Group to ensure that the proposed transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement will be conducted in accordance with the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, the Listing Rules and other relevant regulations, and comply with the relevant disclosure requirements.

For the purpose of the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement, if the prices of relevant transactions are to be determined under the principle of the agreed price, the Group will track government standards in real time for any changes and the prices of services to be procured by the Group on the market regularly, to ensure such transactions are conducted on normal commercial terms or more favourable terms, and will conduct internal audits from time to time to ensure a reasonable price level.

In the event that the proposed annual caps of the transactions contemplated under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement are exceeded, renewed or materially varied, the Company will re-comply with the approval and disclosure requirements pursuant to relevant rules.

In addition to the abovementioned control measures for pricing risks, the nuclear fuel supply and services are mainly subject to the risk of untimely supply of nuclear fuel. For such risk, the relevant internal control measures are as follows:

- (1) Pursuant to the nuclear fuel procurement and supply services agreements entered into between the subsidiaries of the Company and CGN Uranium, the subsidiaries of the Company informed CGN Uranium of their future commissioning plans and power generation plans, and have the right to adjust such plans according to its project construction status, operations of nuclear power plants and power grid requirements, while CGN needs to take all feasible measures to ensure the safe and stable supply of nuclear fuel and to provide related services in case of any adjustment to the plans. No commencement of production or refuelling plan has been delayed due to untimely supply of nuclear fuel; and
- (2) With abundant raw materials and resources of nuclear fuel assemblies, CGN Uranium entered into long-term conversion, enrichment and assembly processing service contracts with multiple companies, and provided nuclear fuel assemblies separately to the subsidiaries of the Company. Its resources and technical capabilities can ensure the timely supply of nuclear fuel assemblies.

III. 2024-2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT

Background: The Company entered into the financial services framework agreement with CGN on November 21, 2014, and renewed such agreement on March 18, 2015, March 8, 2018 and March 18, 2021, respectively. As a continuation of the 2021-2023 Financial Services Framework Agreement, the Company has entered into the 2024-2026 Financial Services Framework Agreement with CGN on March 15, 2023.

The 2024-2026 Financial Services Framework Agreement will be valid and effective from January 1, 2024 to December 31, 2026. Separate contracts will be entered into between relevant entities of both parties, which will formulate the specific terms and conditions in accordance with the principles provided in the above agreements, and the related service fees will be settled with self-owned funds.

Reasons and Benefits for the Transactions:

- (1) The Group is expected to benefit from CGN Group's familiarity of the Group's industry and operations. Through years of cooperation, Financial Service Providers under CGN have become familiar with the Group's capital structure, business operations, funding needs, cash flow pattern, cash management and the overall financial administrative system of the Group, which enable them to render more expedient, efficient and flexible services to the Group than the big four commercial banks and independent financial institutions in the PRC.
- (2) The Financial Service Providers under CGN are able to provide loans to the Group on a fast-track basis with simplified and streamlined approval, drawdown and repayment procedures. When the Group needs to conduct any urgent business and operating activities, the Financial Service Providers under CGN are well positioned to provide the Group with short-term funding support in a timely and efficient manner. Moreover, the interest rates applicable to the loans provided by the Financial Service Providers under CGN to us are no less favorable than those available from the big four commercial banks or independent financial institutions.

- (3) Pursuant to the General Provisions of Loans (《貸款通則》) issued by the PBOC and with the supervision of the CBRC, loans can only be provided by authorized institutions with relevant operational permits and licenses and as approved and supervised by the relevant PRC authorities. Historically, the Group had been engaging the Financial Service Providers under CGN to provide entrustment loan services to the Group on terms no less favorable than those available from the big four commercial banks or independent financial institutions.
- (4) The 2024-2026 Financial Services Framework Agreement does not prevent the Group from using services provided by other commercial banks or independent financial institutions in the PRC. The Group retains discretion to make its selection according to its business needs as well as the fees and quality of such services. The Group may (but is not obliged to) utilize the financial services provided by the Financial Service Providers under CGN to deploy and manage its financial resources flexibly and efficiently. The procurement of financial services provided by the Financial Service Providers under CGN is carried out in the Group's ordinary and usual course of business.
- (5) In terms of financing, CGN is highly professional and maintains sound cooperation with various banking institutions, which is conducive to striving for better financing terms.

Pricing policy: The following guiding principles of pricing shall apply to the related services contemplated under the 2024-2026 Financial Services Framework Agreement in the following order:

- (1) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular type of products or services, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price will be agreed by reference to the government-guided price.

Currently, neither a government-prescribed price nor a government-guided price is applicable to the services under the 2024-2026 Financial Services Framework Agreement, but the Company will continue to closely monitor the update of the relevant government-prescribed price and government-guided price, and adopt any of the applicable government-prescribed price and government-guided price, if any, in future;

- (2) Market price: the price of the same or similar products, technology or services provided by an Independent Third Party during the ordinary course of business on normal commercial terms.

Currently, the pricing of the services under the 2024-2026 Financial Services Framework Agreement is determined with reference to, and no less favorable than, the relevant interest rate or rate level available from the big four commercial banks for similar services. For the service items under the 2024-2026 Financial Services Framework Agreement, the Company will make price inquiries from external banks in respect of services of a similar type as a reference for the price of services with CGN Group. For example, the Group conducts monthly price inquiries on deposit interest rates from the big four commercial banks to ensure that the interest rate level of the deposit services provided by CGN Group is no less favorable than that of the big four commercial banks for deposit services of a similar type for the same period; and

- (3) Agreed price: the price to be determined by adding a reasonable profit over a reasonable cost.

Currently, the pricing of the services under the 2024-2026 Financial Services Framework Agreement is mainly determined with reference to market prices. The Company will continue to closely monitor the pricing of such services. If the market price is not applicable, the Company will consider the reasonableness of the costs and profit of such services.

In addition to the above guiding principles of pricing, after arm's length negotiations between the Company and CGN, pursuant to the 2024-2026 Financial Services Framework Agreement, the financial services shall be provided in accordance with the following pricing principles:

- (1) The interest rate of the deposits placed by the Group with the Financial Service Providers under CGN will not be lower than (i) the interest rate for deposits of a similar type for the same period placed by other subsidiaries of CGN Group; and (ii) the interest rate for deposits of a similar type for the same period offered by the big four commercial banks to the Group.
- (2) CGN Group provides loans to the Group through the Financial Service Providers under CGN and the interest rate of loans provided by the Financial Service Providers under CGN to the Group shall be determined in accordance with the following conditions: (i) normal commercial terms with no security over the assets of the Group charged in respect of the loans; (ii) no less favorable than the comparable loan interest rates offered to the Group by independent commercial banks or financial institutions; and (iii) no less favorable than the comparable loan interest rates provided by CGN Group to other subsidiaries of CGN through the Financial Service Providers under CGN.
- (3) The service fees for settlement, entrustment loans and other financial services shall not be higher than (i) fees charged by independent commercial banks or financial institutions; and (ii) fees charged to other subsidiaries of CGN for similar services provided by the Financial Service Providers under CGN.

Termination: Before the termination of the 2024-2026 Financial Services Framework Agreement, both parties may jointly negotiate for the signing of a new financial services framework agreement to ensure the normal production and operation of both parties.

Historical amounts: (i) The service fees paid by the Group to CGN Group in respect of settlement, entrustment loans and other financial services; (ii) the maximum daily balance of deposits and interest income of the deposits placed by the Group with CGN Group; and (iii) the maximum daily balance of the loans provided by CGN Group to the Group for the year 2020, from January 1 to December 9, 2021, from December 10 to December 31, 2021, and the year 2022, are set out below:

	2020	2021/01/01- 2021/12/09	2021/12/10- 2021/12/31	2022
	<i>(RMB100 million)</i>			
(i) Service fees paid to CGN Group in relation to settlement, entrustment loans and other financial services ^(Note)	0.06	0.06	0.01	0.04
(ii) Maximum daily balance of deposits and interest income of the deposits placed by the Group with CGN Group	201.01	190.61	160.00	236.39
(iii) Maximum daily balance of the loans provided by CGN Group to the Group	253.06	245.86	241.81	245.26

Note: CGN Group provided loan risk management services to the Group on a free basis from January 1, 2020 to December 31, 2022.

As at December 31, 2020, December 31, 2021 and December 31, 2022, approximately 98.16%, 98.65% and 98.61% of the Group's deposits was placed with CGN Group, while approximately 11.90%, 11.36% and 11.12% of the Group's loans was provided by CGN Group to the Group.

Proposed annual caps: The maximum annual amounts for the years 2024, 2025 and 2026 shall not exceed the caps as set out in the table below:

Type	Year ended December 31,			
	<i>(RMB100 million)</i>			
	Existing approved annual caps 2023	Proposed annual caps		
	2024	2025	2026	
(i) Service fees paid to CGN Group in relation to settlement, entrustment loans and other financial services	0.16	0.10	0.10	0.10
(ii) Maximum daily balance of deposits and interest income of the deposits placed by the Group with CGN Group	350.00	365.00	390.00	445.00
(iii) Maximum daily balance of the loans provided by CGN Group to the Group ^(Note)	355.00	400.00	430.00	450.00

Note: CGN Group also provides loans and other financial supports to the Group under the 2024-2026 Financial Services Framework Agreement. These transactions are financial supports provided for the Group by connected persons on normal commercial terms or more favorable terms with no security over the assets of the Group. Therefore, pursuant to Rule 14A.90 of the Listing Rules, these transactions are fully exempt from Shareholders' approval, annual review and all other disclosure requirements under Chapter 14A of the Listing Rules. In order to inform the Shareholders of the amount expected to be involved in these loans and other financial supports, the Company voluntarily maintains the practice as disclosed in the past by setting annual caps for them and then submitting such proposed annual caps to the Independent Shareholders for approval.

Basis of caps:

- (1) Caps for financial service fees to be paid to CGN Group: In determining the proposed annual caps for the service fees in relation to settlement, entrustment loans and other financial services, we have considered, among other factors, (i) with reference to the service fees for entrustment loans for the year ended December 31, 2022; (ii) with reference to the cash settlement handling fees for the year ended December 31, 2022; and (iii) the Group's future business demand for the other financial services.
- (2) Caps for deposits and interest income: In determining the maximum daily balance of deposits and interest income, we have considered, among other factors, (i) the maximum daily balance of cash and cash equivalent of the Group for the year ended December 31, 2022 together with interest income; (ii) the operating cash flow requirements and financial needs of the Group for its operations and future business expansion; and (iii) the expected increase in interest income by placing deposits with CGN Finance (including but not limited to the increase in the revenue from sales of electricity after the acquisition of the retained nuclear power business of CGN Group) on the basis that CGN Finance is under the supervision of the CBRC and it has been maintaining satisfactory operating results and financial position with good risk control and well-regulated management in order to reduce the potential risks.
- (3) Caps for loans provided by CGN Group to the Group: In determining the maximum daily balance of loans provided by CGN Group to the Group, we have considered, among other factors, (i) the maximum daily balance of loans provided by CGN Group to the Group for the year ended December 31, 2022; (ii) the provision of loans by CGN Group to the Group on normal commercial terms which are similar to or no less favorable than those available from Independent Third Parties for comparable services in the PRC and the Group's expectation that the demand for loans will increase in line with its business development (including but not limited to the increase in demand for repayment of principle and interest after the acquisition of the retained nuclear power business of CGN Group); and (iii) no security over the assets of the Group in respect of such loans.

The proposed annual caps vary from the existing approved annual caps for the year ending December 31, 2023.

In respect of the decrease in the proposed annual caps for the fees of financial services to be paid to CGN Group, we have mainly considered: from 2020 to 2022, CGN Group provided the Group with certain services on a free basis, such as loan risk management services and settlement services.

In respect of the proposed annual caps for deposits and interest income, we have mainly considered the following factors:

- a) the impact of refuelling outage of the existing nuclear power generating units on the revenue from electricity sales in each year from 2024 to 2026. Such revenue projection is based on the estimated electricity to be sold by each nuclear power generating unit with reference to the historical on-grid power generation in 2022 and the time taken for refuelling outage in 2022, and the estimated price of the electricity to be sold by each nuclear power generating unit with reference to the tariff in 2022;
- b) the revenue from electricity sales from the nuclear power generating units which are expected to commence operation from 2024 to 2026, based on the estimated electricity to be sold by each nuclear power generating unit with reference to the construction progress of each nuclear power generating unit, and the average tariff of the Group in 2022; and
- c) the revenue to be generated from the existing major contracts of engineering services for the period from 2024 to December 31, 2026 based on the amount of the signed contracts or similar contracts and the settlement arrangements.

With the gradual commencement of operation of the Group's nuclear power generating units under construction, more deposits will be generated, leading to an increase in the caps for deposits and interest income of the Group to be deposited with CGN Group.

There are different uses of the deposit services and the loan services under the 2024-2026 Financial Services Framework Agreement. The deposits to be placed by the Group with CGN Group from 2024 to 2026 represent cash generated from its operating revenue, which will be mainly used for its daily operations for such period, while the loans to be provided by CGN Group to the Group for such period will be used to repay loans of the Group and pay for the Group's expenses to be incurred in the construction of nuclear power units for such period.

As at December 31, 2022, the Group had cash at bank and in hand of approximately RMB14.841 billion. As the Company's cash level is far lower than the capital demand, loans are needed for the operations of the Company.

Bank and other borrowings of the Group, which comprise short-term loans, long-term loans, bonds payable and long-term loans and bonds payable due within one year, were approximately RMB207.445 billion, RMB205.468 billion and RMB199.982 billion as at December 31, 2020, 2021 and 2022, respectively. The funding needs of the Group as at December 31, 2020, 2021 and 2022 were higher than the maximum daily balance of the loans provided by CGN Group to the Group.

In respect of the proposed annual caps for the loans provided by CGN Group to the Group, we have mainly considered the expected loan demand of the Group, which is based on (including but not limited to): (i) the demand for repayment of principle and interest of the nuclear power projects in operation of the Group and the funding needs for the nuclear power projects under construction (mainly the nuclear power generating units commenced construction in 2022 and the nuclear power generating units approved and pending commencement of construction); (ii) the expected funding needs for the projects to be approved after the nuclear power generating units commence construction; and (iii) and the funding needs for construction of a technology research base.

Given the Group's nuclear power generating units under construction will be put into operation one after another and the construction of new nuclear power generating units will commence, the Group's demand for repayment of principal and interest and construction funds will increase, resulting in an increase in the demand and caps for loans to be provided by CGN Group to the Group.

The process from construction of nuclear power projects to commencement of operations generally takes about 60 months following approval by the government and ongoing financing is required. Given that the interest rates applicable to the loans provided by CGN Group to us are no less favourable than those available from the big four commercial banks or independent financial institutions in the PRC, and such funding can meet the urgent capital needs of the Company in a timely and efficient manner, such increase in financing is in line with the interests of the Company and its Shareholders as a whole.

Directors' views:

The role of CGN Finance is similar to a centralized cash management via which funds from different members within the Group and CGN Group in the PRC are concentrated into the accounts maintained by CGN Finance in the PRC which, in return, will pay interest on deposits received or charge interest on the loans provided. Through CGN Finance (and thereby centralized fund management), the Group and CGN Group can enjoy the benefit of efficiency enhancement in fund deployment between their subsidiaries in the PRC. The centralized cash management primarily aims to enable cash surpluses of certain subsidiaries of the Group and CGN Group to cover the funding requirements of the others in the PRC, which can reduce or remove the need for external financing. Ultimately, the primary aim is to optimize the efficient use of cash resources among the subsidiaries of the Group and CGN Group in the PRC. In view of the above acceptance of services from CGN Group, the Group has adopted various measures and guidelines to monitor the risk of the deposit services and loan services under the 2024-2026 Financial Services Framework Agreement. In particular, having considered the proportion of the Group's deposits placed with CGN Finance and the potential risk that such deposits cannot be withdrawn, in order to ensure the security of the Group's deposits with CGN Finance, the Group has obtained undertakings from CGN, among which, the Group is entitled, in certain cases, to offset deposits placed with CGN Finance that cannot be withdrawn with loans provided by CGN Finance; and CGN Group shall procure the financial health of CGN Finance and its due performance under the 2024-2026 Financial Services Framework Agreement. The Company is also able to monitor the financial position of CGN Finance from time to time through its director representative in the board of directors of CGN Finance. For more information, please refer to the paragraph headed "Risk control measures" in this announcement. Therefore, the Directors are of the view that although there is acceptance of such deposit services and loan services from CGN Group, engaging the deposit services and loan services under the 2024-2026 Financial Services Framework Agreement is in the interest of the Company and its Shareholders as a whole.

Taking into account the established business relationship and cooperation between the Group and CGN Group in respect of the financial services, the Directors (including the independent non-executive Directors) are of the view that the 2024-2026 Financial Services Framework Agreement and the proposed annual caps set forth above are entered into during the Group's ordinary and usual course of business on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Listing Rules implications: As at the date of this announcement, CGN, which holds approximately 58.91% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Pursuant to Rule 14A.07 of the Listing Rules, CGN and its associates are connected persons of the Company. Therefore, the transactions contemplated under the 2024-2026 Financial Services Framework Agreement by the Group and CGN and/or its associates will constitute Continuing Connected Transactions of the Company pursuant to Chapter 14A of the Listing Rules.

In respect of the proposed annual caps of the service fees to be paid to CGN Group in relation to settlement, entrustment loans and other financial services under the 2024-2026 Financial Services Framework Agreement, as all the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) for the three years ending December 31, 2026 are below 0.1%, the settlement, entrustment loans and other financial services under the 2024-2026 Financial Services Framework Agreement constitute de minimis Continuing Connected Transactions and are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the proposed maximum daily balance of deposits and interest income of the deposits to be placed by the Group with CGN Group under the 2024-2026 Financial Services Framework Agreement, as one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) for the three years ending December 31, 2026 exceed 5%, the deposit services under the 2024-2026 Financial Services Framework Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Meanwhile, in respect of the proposed maximum daily balance of deposits and interest income of the deposits to be placed by the Group with CGN Group under the 2024-2026 Financial Services Framework Agreement, as one of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the three years ending December 31, 2026 exceeds 25%, the deposit services under the 2024-2026 Financial Services Framework Agreement also constitute major transactions under Chapter 14 of the Listing Rules.

In respect of the provision of loans by CGN Group to the Group under the 2024-2026 Financial Services Framework Agreement on normal commercial terms or more favorable terms with no security over the assets of the Group, pursuant to Rule 14A.90 of the Listing Rules, such transactions are fully exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In order to inform the Shareholders of the amount expected to be involved in such loans and other financial supports, the Company voluntarily maintains the practice as disclosed in the prospectus by setting annual caps for them and then submitting such proposed annual caps to the Independent Shareholders for approval.

Risk control measures:

As part of the risk controls, the Group has adopted the following measures to monitor the financial services contemplated under the 2024-2026 Financial Services Framework Agreement:

- (1) The Group has measures and guidelines in place to monitor the overall arrangements on deposits and entrustment loans from time to time. The Group also has procedures in place providing a comprehensive assessment of the capital operation and risk exposure of the Financial Service Providers under CGN, and regular review of the services provided by the Financial Service Providers under CGN. The Group has engaged an independent third-party audit firm to assess the operational qualification, business and risk condition of CGN Finance under CGN Group as of December 31, 2022. The assessment indicated that CGN Finance has legal and valid business qualification. No material flaw was found in the internal control system of CGN Finance and no breach of the requirements under the “Administrative Measures for Enterprise Group Finance Companies” by CGN Finance. The respective regulatory indicators have complied with the requirements of Rule 34 of the “Administrative Measures for Enterprise Group Finance Companies”. The risks of connected transactions and deposit and loan business among the Group and CGN Finance are under control.
- (2) CGN Group (including CGN Finance) has provided the following undertakings to the Group to, among other things, ensure the security of the Group’s deposits with CGN Finance:
 - (i) CGN Finance shall provide to the Group, at all times, financial services with terms no less favorable than (a) the comparable financial services provided to CGN Group; and (b) the comparable financial services provided to the Group by the big four commercial banks or other independent financial institutions; the Company shall conduct price consultations with the big four commercial banks in respect of the similar types and sizes of deposit services on monthly basis to ensure that CGN Finance provides the Company with the deposit service pricing in line with the requirements of the terms of the 2024-2026 Financial Services Framework Agreement;
 - (ii) CGN Finance has a reasonable corporate governance structure and a sound internal control system to ensure that its risk monitoring indicators and major regulatory indicators (such as gearing ratio, interbank borrowing ratio and liquidity ratio) meet the requirements of the CBRC and other applicable laws and regulations; and

- (3) CGN Group shall take all necessary actions to procure the financial health of CGN Finance and its due performance under the 2024-2026 Financial Services Framework Agreement, including provision of capital injection to CGN Finance in case of payment difficulties arising from its operations to compensate the Group with the interest of the deposits placed with CGN Finance. If the Group becomes aware of any material adverse change in the financial conditions of CGN Finance, the Group will take immediate measures, including early withdrawal of deposits, to minimize any adverse impact. In order to effectively safeguard, immediately control and solve the capital risk of deposit and loan business for capital safety, the Company shall formulate the risk management proposal and engage the independent third-party audit firm to assess the proposal. The assessment indicated that the Company's risk management proposal for handling deposit and loan businesses with CGN Finance is aimed to meet its business development and risk management requirements and there are no significantly unreasonable matters.
- (4) If there is a default where deposits placed with CGN Finance cannot be withdrawn, the Group is entitled to offset those deposits that cannot be withdrawn with loans provided by CGN Finance.
- (5) CGN Finance shall provide the Group with sufficient information (including copies of all regulatory reports submitted by CGN Finance to the CBRC) upon request and the Group will cross check the maximum daily balance of the deposits to ensure that the relevant amounts do not exceed the applicable annual caps. If the actual balance exceeds the maximum daily balance of deposits and prevailing interest from time to time, the Group will promptly transfer the excess funds to its designated bank accounts with independent commercial banks.
- (6) The Group will engage auditors to review the connected transactions between the Group and CGN Group to ensure that the transactions contemplated under the 2024-2026 Financial Services Framework Agreement will be conducted in accordance with the Listing Rules and fulfill the relevant disclosure requirements.

INFORMATION ON THE PARTIES

The Group

The Group mainly constructs, operates and manages nuclear power stations, sells electricity generated by these stations, and organizes and develops the design and research & development of nuclear power stations.

CGN

Established on September 29, 1994, CGN is a large clean energy enterprise under supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CGN Group is principally engaged in the generation and sale of power, and the construction, operation and management of nuclear and non-nuclear clean projects. As at the date of this announcement, CGN holds approximately 58.91% of the issued share capital of the Company and is the Controlling Shareholder of the Company.

CGN Finance

CGN Finance is a limited liability company established in the PRC on July 22, 1997. The equity interest of CGN Finance is owned as to 66.66% by CGN, 30% by CGN Engineering (a wholly-owned subsidiary of the Company) and 3.34% by CGN Services Group Co., Ltd. (a wholly-owned subsidiary of CGN).

CGN Finance has been approved by the relevant authorities in the PRC to carry out the following financial services: (i) providing financial and financing consultancy, credit certification and related consultancy and agency services to members of the group; (ii) assisting members of the group in settlement; (iii) approved insurance agency business; (iv) providing guarantees to members of the group; (v) providing entrustment loan and entrusted investment services; (vi) processing bill acceptance and discount services to members of the group; (vii) processing the settlement of internal transfers between accounts and providing solution plans for relevant settlement and clearing; (viii) taking deposits from members of the group; (ix) providing loan and finance leases to members of the group; (x) conducting inter-borrowing among finance companies; (xi) issuing corporate bonds of finance companies upon approval; (xii) underwriting the corporate bonds issued by members of the group; (xiii) making equity investments in financial institutions; (xiv) making investments in negotiable securities; (xv) being engaged in derivative products trading business (ordinary qualification, limited to being engaged in customer-driven trading business in relation to five products comprising customer-initiated forward foreign exchange settlement and sales, forward foreign exchange trading, foreign exchange swaps, currency swaps and interest rate swaps); and (xvi) buyer's credit of members of the group.

Board's Approval

In this regard, the Company convened a Board meeting on March 15, 2023. Mr. Yang Changli, Mr. Gao Ligang and Mr. Shi Bing, the Directors who are considered to have conflict of interests in the above transactions contemplated thereunder the Continuing Connected Transactions, have abstained from voting on the resolutions in relation to the Continuing Connected Transactions. The Board has considered and approved the resolutions in relation to the Continuing Connected Transactions.

The Directors (including the independent non-executive Directors) are of the view that the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement (including the proposed annual caps), the 2024-2026 Financial Services Framework Agreement (including the proposed annual caps) and all related matters thereof are fair and reasonable, on normal commercial terms and in the interests of the Group and the Shareholders as a whole. The resolutions in relation to the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement, the 2024-2026 Financial Services Framework Agreement, all transactions contemplated thereunder, and the annual caps as set out above will be submitted to the 2022 AGM for the Independent Shareholders' consideration and approval.

Independent Board Committee

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement (including the proposed annual caps) and the 2024-2026 Financial Services Framework Agreement (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Independent Financial Adviser

TC Capital International Limited has been appointed by the Company as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the transactions under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement, the deposit services and loan services under the 2024-2026 Financial Services Framework Agreement and the related proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Connected Persons who are Required to Abstain from Voting

CGN Group is considered to have material interests in the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement. In accordance with Rule 14A.36 of the Listing Rules, any connected person who has material interests in such connected transactions must abstain from voting on the relevant resolutions at the general meeting. CGN Group holds 29,746,876,375 Shares in the Company, representing approximately 58.91% of the total issued Shares of the Company, and therefore CGN Group and its associates shall abstain from voting on the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement at the 2022 AGM. As at the date of this announcement, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no shareholding trust or other agreement or arrangement or intention entered into by its ultimate beneficial owners and their respective associates which binding upon them; and (ii) no obligation or entitlement of its ultimate beneficial owners and their respective associates as at the date of this announcement, whereby they have or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis.

As at the date of this announcement, and to the best knowledge, information and belief of the Directors, saved as disclosed in this announcement, no Shareholder is required to abstain from voting in respect of other resolutions.

Despatch of the Circular

The Company will convene the 2022 AGM to consider and approve, if thought fit, matters stated in the notice of the 2022 AGM. A circular containing, among other things, (i) details of the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement, the Continuing Connected Transactions contemplated thereunder and the proposed annual caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the 2022 AGM will be despatched to the Shareholders on or before April 6, 2023.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning below:

“A Share(s)”	ordinary shares issued by the Company which are denominated in RMB with a par value of RMB1.00 each and listed in the Shenzhen Stock Exchange
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“big four commercial banks”	Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China and Bank of China
“Board”	the board of directors of the Company
“CBRC”	(currently integrated as the China Banking and Insurance Regulatory Commission)
“CGN”	China General Nuclear Power Corporation* (中國廣核集團有限公司), a state-owned enterprise established in the PRC on September 29, 1994 and our Controlling Shareholder, and thus a connected person of the Company
“CGN Engineering”	China Nuclear Power Engineering Co., Ltd.* (中廣核工程有限公司), a limited liability company established in the PRC on November 11, 1997, and a wholly-owned subsidiary of the Company
“CGN Finance”	CGN Finance Co., Ltd.* (中廣核財務有限責任公司), a limited liability company established in the PRC on July 22, 1997. CGN Finance is held as to 66.66% by CGN, 30% by CGN Engineering (a wholly-owned subsidiary of the Company), and 3.34% by CGN Services Group Co., Ltd. (a wholly-owned subsidiary of CGN), and thus a connected person of the Company
“CGN Group”	collectively, CGN and its subsidiaries (unless specified otherwise, excluding the Group)

“CGN Uranium”	CGNPC Uranium Resources Co., Ltd.* (中廣核鈾業發展有限公司), a limited liability company established in the PRC on August 15, 2006. CGN Uranium is held as to 81.82% by CGN, and 18.18% by Shenzhen Nengzhahui Investment Co., Ltd.* (深圳市能之匯投資有限公司) (a wholly-owned subsidiary of CGN), and thus a connected person of the Company
“Company”	CGN Power Co., Ltd.* (中國廣核電力股份有限公司), a joint stock company with limited liability incorporated under PRC law on March 25, 2014, whose H Shares and A Shares are listed on the Main Board of the Hong Kong Stock Exchange (1816.HK) and the Shenzhen Stock Exchange (003816.SZ), respectively
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Continuing Connected Transactions”	individually or collectively, the partially exempt continuing connected transactions and the non-exempt continuing connected transactions
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules, as of the date of this announcement, it refers to CGN
“Director(s)”	the director(s) of the Company
“Financial Service Providers under CGN”	the related companies under CGN Group which provide financial services to us. These companies primarily include one of its subsidiary which is a non-banking financial institution, i.e., CGN Finance, and other companies which provide financial services such as CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司)
“Group”, “we”, or “us”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	ordinary shares with a par value of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange, subscribed for and traded in Hong Kong dollars
“Independent Board Committee”	the independent board committee constituted by Mr. Li Fuyou, Mr. Yang Jiayi, Mr. Xia Ceming and Mr. Tang Chi Cheung for the purpose of providing advice to the Independent Shareholders in respect of the terms and proposed annual caps of the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the 2024-2026 Financial Services Framework Agreement

“Independent Financial Adviser”	TC Capital International Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser responsible for providing advice to the Independent Board Committee and the Independent Shareholders in respect of the nuclear fuel supply and services under the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement (including the proposed annual caps) and the deposit services and loan services under the 2024-2026 Financial Services Framework Agreement (including the proposed annual caps)
“Independent Shareholders”	Shareholders other than CGN Group and its associates
“Independent Third Party(ies)”	person(s) which is/are not connected with any Directors, supervisors, chief executive or substantial shareholders of the Company or any of its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PBOC”	People’s Bank of China
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	A Share(s) and H Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholders”	has the meaning ascribed thereto under the Listing Rules
“2021-2023 Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and CGN on March 18, 2021

“2022 AGM”	the 2022 annual general meeting proposed to be convened by the Company in May 2023, to consider and approve, among other things, the 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and its proposed annual caps, and the 2024-2026 Financial Services Framework Agreement and its proposed annual caps
“2024-2026 Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and CGN on March 15, 2023
“2024-2026 Nuclear Fuel Supply and Services Framework Agreement”	the nuclear fuel supply and services framework agreement entered into between the Company and CGN on March 15, 2023

By Order of the Board
CGN Power Co., Ltd. *

Yin Engang

Chief Financial Officer, Joint Company Secretary and Board Secretary

The PRC, March 15, 2023

As at the date of this announcement, the Board of the Company comprises Mr. Gao Ligang as an executive Director; Mr. Yang Changli, Mr. Shi Bing, Mr. Feng Jian and Mr. Gu Jian as non-executive Directors; Mr. Li Fuyou, Mr. Yang Jiayi, Mr. Xia Ceming and Mr. Tang Chi Cheung as independent non-executive Directors.

* *For identification purpose only*