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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **REVISION OF ANNUAL CAP AND**

### **2023-2025 ENGINEERING SERVICES FRAMEWORK AGREEMENT**

The Board announces that, on March 17, 2022, the Board considered and approved the resolution on the revision of annual cap and entering into the 2023-2025 Engineering Services Framework Agreement with CGN, which will be submitted to the 2021 AGM for the Independent Shareholders to consider and approve. CGN will abstain from voting in respect of the ordinary resolution on the revision of annual cap and the 2023-2025 Engineering Services Framework Agreement at the 2021 AGM.

A circular containing (among other things) (i) the revision of annual cap; (ii) the details of the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); (iii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); and (v) the notice convening the 2021 AGM, will be despatched to the Shareholders on or before April 8, 2022.

As at the date of this announcement, CGN, which holds 58.82% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Under Rule 14A.07 of the Listing Rules, CGN and its associates are connected persons of the Company. Therefore, the engineering service transactions contemplated under the 2023-2025 Engineering 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.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) exceed 5% on annual basis, the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) all constitute non-exempt Continuing Connected Transactions, and are subject to reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## BACKGROUND

The Company entered into the 2014 Engineering Services Framework Agreement with CGN on November 21, 2014, completed amendments to the above agreement on September 25, 2016 and completed the renewal on March 12, 2019. As a continuation of the 2020 Engineering Services Framework Agreement, the Company entered into the 2023-2025 Engineering Services Framework Agreement with CGN on March 17, 2022, pursuant to which the Group shall provide services to CGN Group, primarily including pre-construction engineering services, survey, design and technical services, engineering project management services, general engineering, procurement and construction services, bidding agency services, sales of used and/or superfluous materials and other engineering services.

The annual caps of the transactions for the years ended December 31, 2020, 2021 and 2022 which are related to the 2020 Engineering Services Framework Agreement have been approved at the 2018 AGM. As there are material differences between the actual construction progresses of 2022 nuclear power project and offshore wind power project undertaken by CGN Engineering and the situation expected at the time when the 2020 Engineering Services Framework Agreement was entered into, the approved 2022 annual cap of the transactions is required to be adjusted.

The 2023-2025 Engineering Services Framework Agreement shall be valid and effective from January 1, 2023 to December 31, 2025. Separate contracts will be entered into between relevant entities of both parties, which will set out the specific terms and conditions pursuant to the principles provided in the above agreement.

On March 17, 2022, the Board considered and approved the resolution on the revision of annual cap and entering into the 2023-2025 Engineering Services Framework Agreement with CGN, which will be submitted to the 2021 AGM for the Independent Shareholders to consider and approve. CGN will abstain from voting in respect of the ordinary resolution on the revision of annual cap and the 2023-2025 Engineering Services Framework Agreement at the 2021 AGM.

A circular containing (among other things) (i) the revision of annual cap; (ii) the details of the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); (iii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); and (v) the notice convening the 2021 AGM, will be despatched to the Shareholders on or before April 8, 2022.

**Reasons for and benefits of the transactions:** After completing the acquisition of CGN Engineering in 2016, the external provision of engineering services had become transactions which are revenue in nature in our ordinary course of business. Given that (i) the Group has extensive experience in the construction and management of nuclear power projects, and is capable of providing nuclear power engineering services up to required standards and of required quality on a continuous basis that are satisfying for CGN Group; (ii) we are in the process of constructing and managing the demonstration project of Hualong I, a third-generation nuclear power technology, which helps to boost our capabilities in design and application of third-generation nuclear power technology; and (iii) our experience in the construction and management of nuclear power projects may also be applied to the engineering construction of non-nuclear power projects, which may satisfy relevant business needs of CGN Group. We will continue to provide engineering services to CGN Group based on the above reasons and benefits.

**Pricing principles and its application:** the following pricing principles shall apply to the pricing of services contemplated under the 2023-2025 Engineering Services Framework Agreement in the following order:

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

This pricing principle mainly applies to pre-construction engineering services, survey, design and technical services, general engineering, procurement and construction services, engineering project management services and bidding agency services. In particular, the relevant government-prescribed price and government-guided price of pre-construction engineering services, general engineering, procurement and construction services and engineering project management services mainly refer to the Guidelines on Fee Nature and Project Categorization of Nuclear Power Plant Construction (《核電廠建設項目費用性質及項目劃分導則》), Construction Budgeting Methodology of Nuclear Power Plant Construction Projects (《核電廠建設項目建設預算編製方法》), Regulations on Other Expense Budgeting of Nuclear Power Plant Construction Projects (《核電廠建設項目工程其他費用編製規定》) and Regulation for Content of Pre-feasibility Study Report of Nuclear Power Plants (《核電廠初步可行性研究報告內容深度規定》) issued by the National Energy Administration (國家能源局) on its website as well as the Regulations on Construction Project Supervision and Associated Service Fees Management (《建設工程監理與相關服務收費管理規定》) issued by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on its website; the relevant government-prescribed price and government-guided price of survey, design and technical services mainly refer to the Regulations on Fees Management of Engineering Survey and Design (《工程勘察設計收費管理規定》) issued by the National Development and Reform Commission (國家發展和改革委員會) and the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) on their websites; the relevant government-prescribed price and government-guided price of bidding agency services mainly refer to Provisional Measures on the Administration of Service Fees for Tender Agency Services (《招標代理服務收費管理暫行辦法》) issued by the National Development and Reform Commission (國家發展和改革委員會) etc.

- ii. Market price: the price of the same or similar products or services provided by an Independent Third Party in the ordinary course of business on normal commercial terms; and

This pricing principle mainly applies to pre-construction engineering services, survey, design and technical services and general engineering, procurement and construction services. Such prices are mainly those of the design, materials and services related to engineering construction sourced from the market through public bidding in accordance with the Implementing Regulations on the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) or the market price of the Independent Third Parties. In particular, the Company conducts public bidding by issuing tender invitations to all unspecified bidders. The number of bidders is affected by the nature of the tender. For the aforesaid services, there are usually more than three bidders. However, the Company will also invite specific bidders to participate in tenders. According to the Company's procurement procedures, the number of bidders invited must be three or more.

iii. Agreed price: the price to be determined by adding a reasonable profit over a reasonable cost.

This pricing principle is used to a lesser extent. It applies to survey, design and technical services and engineering project management services. The costs of such services primarily include (i) the cost of services procured in the market or the cost of service stipulated by the internal pricing standard applicable to all members of CGN Group and the Group; and (ii) labor cost and travel expenses generated from the Group's management of relevant services, which are determined by the Group's labor cost and travel policies. The profit of these services is mainly derived from the management fees on the basis of the costs above. The rate of management fee is determined based on the historical costs and benefits of CGN Group and the subsidiaries of the Group in the respective service projects. The rate of management fee is mainly affected by (i) the market share of similar services; and (ii) inflation and changes in costs, and is ultimately determined based on the negotiation between the parties to the transactions in accordance with normal commercial terms. Based on the historical transactions, the rate of management fee of these services was generally around 10%.

**Historical amounts:** The amounts of the engineering service fees received and receivable from CGN Group for the three years ended December 31, 2019, 2020 and 2021 are set out below:

	<b>Year Ended December 31,</b> <i>(RMB million)</i>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
Approximate total fees received and receivable from CGN Group by our Group on an actual basis	3,824.92	11,743.03	19,011.91

**The revision of annual cap and the annual caps under the 2023-2025 Engineering Services Framework Agreement:** The maximum aggregate annual amount of fees for the four years ended December 31, 2022, 2023, 2024 and 2025 shall not exceed the caps as set out below:

	<b>Current approved annual cap</b> <b>2022</b>	<b>Year Ended December 31,</b> <i>(RMB million)</i>			
		<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Total fees received/receivable from CGN Group by our Group	11,969.83	30,793.00	35,168.00	41,154.00	43,111.00

The Group's proposed annual caps for engineering services in 2022, 2023, 2024 and 2025 are relatively high, mainly due to (i) the peak season of construction of Huizhou power nuclear project and Cangnan nuclear power project of CGN Group, resulting in an increase in demand for engineering services; (ii) according to the contractual settlement scheme, the offshore wind power project of CGN Group undertaken by our Group is in peak season of construction and settlement; (iii) more offshore wind power projects have been approved by the relevant government authorities in the past years. Among them, the construction of the offshore wind power projects contracted by CGN Group are expected to commence in these few years, resulting in an increase in demand for engineering services for offshore wind power projects; and (iv) the construction cycle of offshore wind power projects is relatively short, and the settlement of related costs in the construction cycle is relatively centralized.

**Basis of caps:** In determining the above proposed annual caps for the fees received/receivable from CGN Group for the Group's provision of the engineering services to CGN Group, we have considered, among other factors, (i) the historical transaction amounts received for the provision of the engineering services to CGN Group; (ii) the expected demand for engineering services in the upcoming years in view of the business development of CGN Group; (iii) the estimated contract value and payment arrangement of projected new engineering services contracts to be entered into between our Group and CGN Group; and (iv) the estimated increase in the average market rates charged for similar services due to inflation and anticipated increase in cost.

In determining the estimated demand of CGN Group for the provision of engineering services by the Group for the four years ended December 31, 2022, 2023, 2024 and 2025, we have considered, among other factors:

- (a) the increase from the approved current annual cap of approximately RMB11,970 million for the year ended December 31, 2022 to the proposed new annual cap of RMB30,793 million, representing a difference of approximately RMB18,823 million, is primarily attributable to, among other things: (i) increase in the demand for engineering services of the Cangnan project and Huizhou project of CGN Group as they are in peak season of construction by approximately RMB4,578 million; (ii) the increase in the demand for engineering services of non-nuclear power projects by approximately RMB15,098 million; and (iii) the actual progress of overseas nuclear power project of CGN Group is slower than expected, resulting in a decrease in the corresponding demand for engineering services from the initial expected amount by approximately RMB786 million;
- (b) the increase in the proposed annual cap from RMB30,793 million for the year ended December 31, 2022 to RMB35,168 million for the year ended December 31, 2023, representing a difference of RMB4,375 million, is primarily attributable to, among other things: (i) Cangnan project and Huizhou project of CGN Group are in peak season of construction, and an increase in preliminary works for Lingwan project, resulting in an increase in the demand for engineering services of approximately RMB5,969 million; (ii) the decrease in the demand for engineering services of non-nuclear power projects by approximately RMB1,381 million; and (iii) the actual progress of overseas nuclear power project of CGN Group is slower than expected, resulting in a decrease in the corresponding demand for engineering services from the initial expected amount by approximately RMB212 million;
- (c) the increase in the proposed annual cap from RMB35,168 million for the year ended December 31, 2023 to RMB41,154 million for the year ended December 31, 2024, representing a difference of RMB5,986 million, is primarily attributable to, among other things: (i) increase in the demand for engineering services of the Cangnan project, Huizhou project and Lingwan project of CGN Group by approximately RMB2,464 million; and (ii) the increase in the demand for engineering services of non-nuclear power projects by approximately RMB3,514 million; and
- (d) the increase in the proposed annual cap from RMB41,154 million for the year ended December 31, 2024 to RMB43,111 million for the year ended December 31, 2025, representing a difference of RMB1,957 million, is primarily attributable to, among other things: (i) increase in the demand for engineering services of the Cangnan project, Huizhou project and Lingwan project of CGN Group by approximately RMB2,930 million; and (ii) the decrease in the demand for engineering services of non-nuclear power projects by approximately RMB1,004 million.

**Directors' view:** Taking into account the long established business relationship between our Group and CGN Group, the stable revenue to be generated from the businesses of CGN Group for the benefit of our Group, as well as the rising demand for new transactions, the Directors (including the independent non-executive Directors) are of the view that the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) are arrived at 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 our Company and the Shareholders as a whole.

**Listing Rules implications:** As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) exceed 5% on annual basis, the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) all constitute non-exempt Continuing Connected Transactions, and are subject to reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Internal control measures:** Our 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, for the purpose of the non-exempt Continuing Connected Transactions (if applicable), applicable guiding principles and relevant internal control measures are as follows:

- (i) For the purpose of the principles of government price, our Group reviews the relevant government-prescribed price or government-guided price to ensure that the price of CGN complies with the relevant government-prescribed price or government-guided price;
- (ii) For the purpose of the principles of market price, (a) for the purpose of purchasing the products or services of CGN Group, our 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 our Group than those provided by the Independent Third Parties; and (b) for the purpose of providing products or services to CGN Group, our Group reviews the terms provided to the Independent Third Parties, and ensures that the principal terms provided to CGN Group are no less favourable to our Group than those provided to the Independent Third Parties;
- (iii) 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 our Group will ensure that the relevant profit margin is no less favourable than that provided by the Independent Third Parties; and

- (iv) In accordance with the Listing Rules, (a) the external auditors of our Group will continue to report annually on the Continuing Connected Transactions to confirm, among other matters, whether the Continuing Connected Transactions were entered into in accordance with their respective framework agreements and, for the transactions involving the provision of goods or services by our Group, to confirm whether anything has come to their attention that causes them to believe the Continuing Connected Transactions are not, in all material respects, in accordance with the pricing policies of our Group; and (b) the independent non-executive Directors will continue to review and report annually on whether the Continuing Connected Transactions are, among other things, entered into in accordance with the respective framework agreements governing them and on terms that are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

In the event that the above proposed annual caps are exceeded, renewed or materially varied, the Company will re-comply with the reporting, announcement and the Independent Shareholders' approval requirements pursuant to Rules 14A.35 to 14A.47 of the Listing Rules.

## **INFORMATION ON THE PARTIES**

### **Our Group**

Our Group is primarily engaged in the construction, operation and management of nuclear power stations, sales of electricity generated by these stations and organizing and developing 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 held approximately 58.82% of the issued share capital of our Company and is the Controlling Shareholder of our Company.

### **Board's approval**

Our Company convened a board meeting on March 17, 2022. The Directors who have a conflict of interests in the abovementioned Continuing Connected Transactions, including Mr. Yang Changli, Mr. Gao Ligang and Mr. Shi Bing, have abstained from voting on the resolution in connection with the Continuing Connected Transactions. The Board had considered and approved the resolution in relation to the Continuing Connected Transactions.

The Directors are of the view that the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) are fair and reasonable, on normal commercial terms and in the interests of our Company and the Shareholders as a whole. The resolution on the revision of annual cap and the 2023-2025 Engineering Services Framework Agreement, all transactions contemplated thereunder and the abovementioned annual caps will be submitted to the 2021 AGM for the Independent Shareholders to consider and approve.

## **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 revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

## **Independent Financial Adviser**

TC Capital International Limited has been appointed by our Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

## **Connected persons who are required to abstain from voting**

CGN Group was considered to have material interests in the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps). In accordance with Rule 14A.36 of the Listing Rules, any connected person who has material interests in such transactions must abstain from voting on the relevant resolution at the general meeting. CGN Group holds 29,704,943,375 Shares in our Company, representing approximately 58.82% of the total issued Shares of our Company, and therefore it and its associates shall abstain from voting on the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps) at the 2021 AGM. To the best knowledge, information and belief of the Directors, as at the date of this announcement, (i) no shareholding trust or other agreement or arrangement or intention entered into by its ultimate beneficial owners and their respective associates which is 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 2021 AGM in May 2022 to consider and approve matters set out in the notice of the 2021 AGM. A circular containing (among other things) (i) the revision of annual cap; (ii) the details of the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); (iii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps); and (v) the notice convening the 2021 AGM, will be despatched to the Shareholders on or before April 8, 2022.



## DEFINITIONS

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

“2018 AGM”	the 2018 annual general meeting convened by the Company in May 2019, to consider and approve, among other things, the terms and proposed annual caps of the 2020 Engineering Services Framework Agreement
“2020 Engineering Services Framework Agreement”	the engineering services framework agreement entered into between the Company and CGN on March 12, 2019
“2021 AGM”	the 2021 annual general meeting proposed to be convened by the Company in May 2022, to consider and approve, among other things, the revision of annual cap, the terms and proposed annual caps of the 2023-2025 Engineering Services Framework Agreement
“2023-2025 Engineering Services Framework Agreement”	the 2023-2025 engineering services framework agreement entered into between the Company and CGN on March 17, 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of our Company
“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 promoter, and thus a connected person of our 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 Group”	collectively, CGN and its subsidiaries (unless specified otherwise, excludes our Group)
“Company” or “our 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, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (1816.HK) and the A Shares of which are listed on the SME Board (3816.SZ) of Shenzhen Stock Exchange

“connected person(s)”	has the meaning ascribed to it 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 to it under the Listing Rules, as at the date of this announcement, it refers to CGN
“Director(s)”	the director(s) of our Company
“Group”, “our Group”, “we” or “us”	our 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
“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 revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps)
“Independent Financial Adviser”	TC Capital International Limited, a corporation licensed to carry on 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 revision of annual cap, the 2023-2025 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the annual caps)
“Independent Shareholders”	Shareholders other than CGN and its associates
“Independent Third Party(ies)”	person(s) which are not connected with any Directors, supervisors, chief executive or substantial shareholders of our Company or any of its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time

“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
“revision of annual cap”	proposed revision of annual cap for the transactions contemplated under the 2020 Engineering Services Framework Agreement for the year ended December 31, 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of our Company
“Share(s)”	shares in the share capital of the Company, with the nominal value of RMB1.00 each
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the Board  
**CGN Power Co., Ltd.\***  
**Yin Engang**

*Chief Financial Officer, Joint Company Secretary and Board Secretary*

The PRC, March 17, 2022

*As at the date of this announcement, the Board of the Company comprises Mr. Gao Ligang and Mr. Jiang Dajin as executive Directors; Mr. Yang Changli, Mr. Shi Bing, Mr. Wang Hongjun 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*