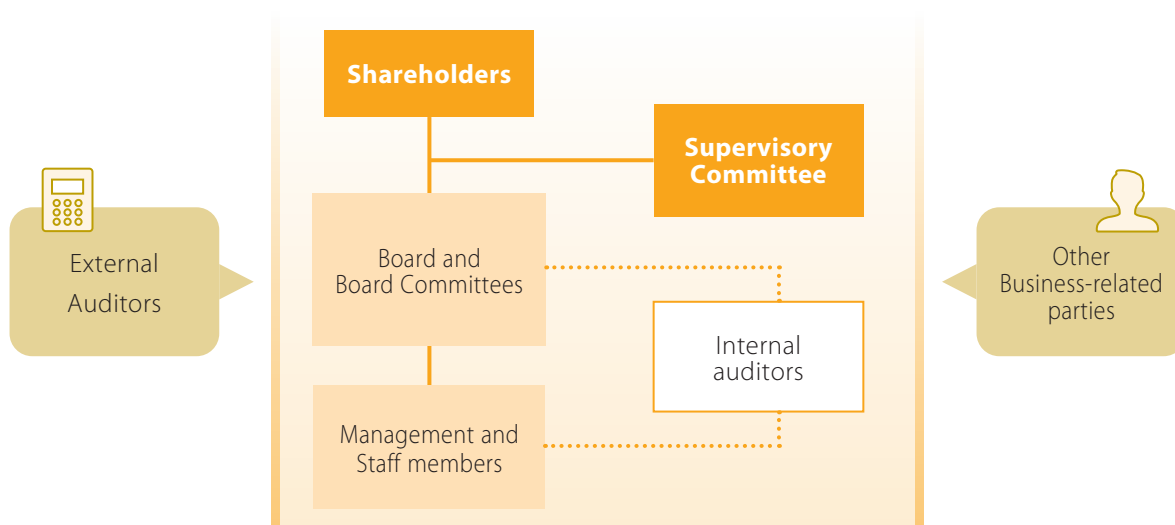


# Corporate Governance Report

## Corporate Governance Framework

The corporate governance framework of CGN Power is designed to safeguard the interests of shareholders and involves all the key participants in the corporate governance practices of the Company, reflecting the ways in which they relate to each other and their roles and functions in corporate governance.

Our internal governance structure comprises mainly our shareholders, the Board and the Board Committees, the Supervisory Committee, our internal auditors and our management and staff members. External auditors conduct independent review and assessment on the governance of the Company to help us continuously optimize our internal governance. Meanwhile, the interactions between the Company and other business-related parties, including customers, business partners, social environment and regulators, also reflect the effectiveness of our corporate governance. We are therefore fully aware of our significant corporate and social responsibilities as a public company and we need to constantly follow the best corporate governance practices.



## Brief Introduction to the Corporate Governance Code of CGN Power

The Company strives to maintain a high level of corporate governance to ensure the realization of the Company's strategy, to protect the interests of shareholders and to enhance enterprise value. The Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "Hong Kong Stock Exchange Code") sets out the principles of good corporate governance and two levels of recommendations:

**With respect to code provisions**

Companies shall duly comply with, or give reasonable explanations for any deviations from the code provisions

**With respect to recommended best practices**

For guidance only and companies are encouraged to comply with, or give explanations for any deviations from the recommended best practices

## Corporate Governance Report

In accordance with the Listing Rules, the Hong Kong Stock Exchange Code and the Code of Corporate Governance of Listed Companies of the CSRC and based on the corporate governance framework of the Company, the Board has formulated the Corporate Governance Code of CGN Power Co., Ltd. (the “**Corporate Governance Code of the Company**”) as the corporate governance guidelines of the Company to explain the systems, procedures and measures we adopted to ensure our corporate governance standards meeting the expectations of our shareholders and other stakeholders. The Code was reviewed and approved at the fifth meeting of the first session of the Board of Directors on November 18, 2014 and its fourth revision was completed in August 2022.

### The Corporate Governance Code of the Company

The Corporate Governance Code of the Company is in compliance with all code provisions of the Hong Kong Stock Exchange Code, and exceeds the recommended best practices in the Hong Kong Stock Exchange Code in the following aspects.

Our procedures for convening general meetings (such as the notice period for convening a general meeting) are subject to the stricter requirements of PRC laws and regulations.

As to the requirements on independent non-executive Directors (such as their terms of reappointment and the maximum number of companies in which they could concurrently assume the role of independent non-executive directors), we abide by more stringent PRC laws and regulations.

We have entered into service contracts with our Directors as well as our Supervisors, which define their respective rights, obligations and responsibilities, particularly the duties of independent non-executive Directors and executive Directors. The service contracts with our Directors and Supervisors do not contain any provisions under which the Company is not allowed to terminate such contracts within one year without compensation (except for statutory compensation).

The Company discloses in the annual report the controlling shareholder’s compliance with the undertakings contained in the deed of non-competition.

According to the authorization of the Board and the working rules of the specialized committees, the specialized committees under the Board consider and review the relevant issues and express their opinions and recommendations, and continuously enhance the decision-making support to the Board. In the meantime, the specialized committees under the Board prepare their respective annual work reports and make relevant disclosure in the annual report, so as to further enhance the standardization and transparency of corporate governance.

## Corporate Governance Practices

The Company conducts a self-assessment on corporate governance every year with the aim of reviewing the implementation of the Corporate Governance Code of the Company and locating discrepancies, while summarizing the Company's good corporate practices.

The Company completed the self-assessment on corporate governance for the year 2023. During the reporting period, the Company complied with all applicable code provisions of the Hong Kong Stock Exchange Code, the recommended best practices and the Corporate Governance Code of the Company.

Based on the analysis on the rather developed as well as newly implemented practices in respect of corporate governance, we believe that the Company mainly carried out the following sound practices in this aspect throughout 2023:

- 1 Further enhanced the independence of the Audit and Risk Management Committee. Following the change of Board session in October 2023, the Audit and Risk Management Committee of the fourth session of the Board comprises entirely of independent non-executive Directors, which gives full play to the roles of independent non-executive Directors in "participating in decision-making, supervision and balancing powers, and giving professional advice". The independence of the Audit and Risk Management Committee has been further enhanced, which will facilitate the supervision of internal auditing and risk management of the Company.
- 2 Further improved the approval efficiency of Board meetings and general meetings. In addition to compliance with regulatory requirements, the Company has taken the initiative to optimize the approval frequency of resolutions in respect of remuneration of Directors and Supervisors by changing from an annual basis to a session basis, and clarified the principles for determining the remuneration of Directors and Supervisors for each session. In addition, the reappointment of new Directors and Supervisors may directly adopt the approved remuneration principles without being subject to approval at the general meeting.
- 3 Continued to improve the effectiveness and quality of information disclosure management. The Company has adopted innovative approaches to enhance its management, such as "promoting regulatory rules and non-compliance alerts", which further improved the information disclosure management system and enhanced the awareness of information disclosure compliance among all employees. The Company has been awarded Grade A in the information disclosure assessment by the SZSE for three consecutive years.
- 4 Organized investor communication activities across different levels and dimensions with innovative means. On top of maintaining regular communication with the capital market, the Company has strengthened its special communication. By participating in group roadshows organized by its controlling shareholder CGNPC, organizing the "Know My Listed Company – Entering the Blue Chip" campaign of the CSRC, and participating in group roadshows of listed companies on the SZSE and other exchange activities, the Company has enhanced expectation management and conveyed the voice of the industry, while maintaining positive interaction with the capital market.

## Corporate Governance Report

We will persist in the corporate governance practices established in the previous years and recognized by the Board or the general meeting, mainly including:

- 1 Further strengthen the support for the Board on duty performance.
  - (1) In order to facilitate the Directors' prompt and easy access to relevant information on duty performance, the Company has formulated the Handbook on Duty Performance of Directors of CGN Power, providing Directors with reference for the rules and guidelines of duty performance.
  - (2) The expenses incurred by Directors for seeking advice from independent professional advisers have been included in the annual budget of the Company.
  - (3) Adhering to the working principle of "enhancing the scope of protection and striving for optimal protection conditions", the Company has extended the insurance coverage for Directors to major affiliates, and the policy limit upon renewal maintained at a relatively high level. Upon listing of A shares, the responsibilities of Directors in respect of A shares are also covered.
  - (4) The management organizes extraordinary meetings on the issues that the Board is concerned about for individual reporting, and responds to the concerns of the Directors.
  - (5) The documents provided to the Directors for review include, in addition to the resolution documents, the basis and process of discussion, and the professional opinions from third-party intermediaries, so as to provide a sufficient basis for the Directors to consider.
  - (6) In order to help all Directors familiarize with and get hold of the Company's operation, the latest business report is given on the regular Board meeting of the Company.

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- 2 Strengthen proactive communication with shareholders and strive to protect investors' rights.
  - (1) We regularly analyze our shareholder structure, consider capital market conditions and company dynamics, and visit long-term investors on our own initiative. The Company highly values making timely and accurate responses through [irm.cninfo.com.cn](http://irm.cninfo.com.cn), capital market hotline and emails from the Company to inform shareholders the sound operation and stable growth of the Company and manifest the long-term value of the Company.
  - (2) Roadshows, reverse roadshows, result announcement conferences and teleconferences are organized to proactively report our business operations to the shareholders, analysts, financial media and other parties. By further broadening our communication channels with shareholders, their better understanding of business operations of the Company could be attained.
  - (3) The Company invited analysts from investment banks to conduct training sessions for Directors, Supervisors and senior management in respect of corporate value management, hot spots in the capital market as well as capital operations, with a view to deepening their understanding of insights into the capital market and strengthening their awareness of the importance of protecting rights of the shareholders.

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- 3 The Company has formulated its Code for Securities Transactions by Directors and Specific Persons in compliance with the A share regulatory rules, which set up rules on the basic principles for securities transaction, approval procedures and others. The confirmation for disclosure of interests by Directors, Supervisors and senior management was signed at the Board meetings for annual and interim results, respectively.

## Overview of Regulatory Documents on Governance and Key Rules and Regulations

In accordance with documents such as the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (Revised in 2022) and the Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board, as well as changes in relevant laws and regulations and regulatory documents, and taking into account the internal management requirements of the Company, we revised the Terms of Reference for the Audit and Risk Management Committee of CGN Power Co., Ltd., the Terms of Reference for the Nuclear Safety Committee of CGN Power Co., Ltd., the Management Measures on Guarantees of CGN Power Co., Ltd. and the Management Rules on Capital Flows to and from Related Parties of CGN Power Co., Ltd., which further regulated corporate operation and improved governance.

To fulfill the requirements of the SASAC and relevant departments, and continuously improve and standardize the Company's risk management, internal audit and accounting, while taking into account the actual situation, we revised the Management Rules on Comprehensive Risk Management of CGN Power Co., Ltd., the Management Rules on Internal Auditing of CGN Power Co., Ltd. and the Accounting System of CGN Power Co., Ltd. accordingly.

As at the end of 2023, our regulatory documents on governance and key rules and regulations mainly consist of:

Articles of Association of CGN Power Co., Ltd.\* (the **"Articles of Association"**)

Procedural Rules of General Meeting of CGN Power Co., Ltd.\*

Procedural Rules of the Board of Directors of CGN Power Co., Ltd.\* (the **"Procedural Rules of Board of Directors"**)

Procedural Rules of the Supervisory Committee of CGN Power Co., Ltd.\*

Provisions on the Corporate Governance Authorization of CGN Power Co., Ltd. (the **"Provisions on the Corporate Governance Authorization"**)

Terms of Reference for the Audit and Risk Management Committee under the Board of Directors of CGN Power Co., Ltd.\*

Terms of Reference for the Remuneration Committee under the Board of Directors of CGN Power Co., Ltd.\*

Terms of Reference for the Nomination Committee under the Board of Directors of CGN Power Co., Ltd.\*

Terms of Reference for the Nuclear Safety Committee under the Board of Directors of CGN Power Co., Ltd.\*

## Corporate Governance Report

Board Diversity Policy of CGN Power Co., Ltd.\* (the “**Board Diversity Policy of the Company**”)

Management Rules on Information Disclosure of CGN Power Co., Ltd.\*

Management Measures on Inside Information and Insiders of CGN Power Co., Ltd.

Management Rules on Investor Relations of CGN Power Co., Ltd.\*

Management Rules on Related Party Transactions of CGN Power Co., Ltd.

Management Rules on Comprehensive Risk Management of CGN Power Co., Ltd.

Management Rules on Internal Auditing of CGN Power Co., Ltd.

Internal Control Manual of CGN Power Co., Ltd. (First Edition)

Director Nomination Policy of CGN Power Co., Ltd.\*

Corporate Governance Code of CGN Power Co., Ltd.\* (the “**Corporate Governance Code of the Company**”)

Shareholder Communication Policy of CGN Power Co., Ltd.\* (the “**Shareholder Communication Policy**”)

Terms of Reference for Independent Directors of CGN Power Co., Ltd.

Terms of Reference for Secretary of the Board of Directors of CGN Power Co., Ltd.

Management Measures on Guarantees of CGN Power Co., Ltd.\*

Management Rules on Investments of CGN Power Co., Ltd.

Code for Securities Transactions by Directors and Specific Persons of CGN Power Co., Ltd.\* (the “**Code for Securities Transactions by Directors and Specific Persons**”)

Management Rules on Fundraising Proceeds of CGN Power Co., Ltd.\*

Management Rules on Capital Flows to and from Related Parties of CGN Power Co., Ltd.

\* Already disclosed at the website of the Hong Kong Stock Exchange or the website of the SZSE or the website of the Company.

## Major amendments to the Articles of Association

Pursuant to the related amendments to the Securities Law of the People's Republic of China (2019 Revision) 《中華人民共和國證券法(2019年修訂)》, the Guidelines for the Articles of Association of Listed Companies (2022 Revision) 《上市公司章程指引(2022年修訂)》, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange (2022 Revision) 《深圳證券交易所股票上市規則(2022年修訂)》, and the Listing Rules of the Hong Kong Stock Exchange and other provisions, we amended the Articles of Association in 2023, which were approved at the annual general meeting held on May 25, 2023. The amendments mainly included: amendments to the requirements for notice of the general meeting, the circumstances of external guarantees which are subject to approval at the general meeting, and the names of regular reports that a company should disclose, and the newly added requirement on the scope of the personnel subject to restriction in short-swing trading, the approval on including employee stock ownership plans into the functions and powers of the general meeting, the approval on including external donations into the functions and powers of the Board, the consequences of violating the requirements for information disclosure of large shareholdings, the conditions for one to solicit voting rights from shareholders, the requirement that supervisors shall sign their written opinions on regular reports, the senior management shall only receive the salaries paid by the Company, the controlling shareholder shall not pay the salaries on behalf of the Company, the right of the clearing house to appoint proxies or corporate representatives, and other amendments.

## Compliance with Regulatory Requirements

In 2023, the corporate governance practices of the Company were in compliance with the laws and regulations of the PRC, the relevant regulatory requirements of the CSRC and the Hong Kong Stock Exchange, and will continue to comply with the updated laws and regulations. None of the Company, the Directors, Supervisors or senior management was subject to any administrative penalty, notice of criticism or reprimand.

## Relationship with Controlling Shareholder

### Independence from Controlling Shareholder

The Company has an independent and complete business system and is able to operate independently. We are independent from our controlling shareholder in respect of our business, employees, assets, organizations and finance, etc.

As at the date of this report, among nine Directors of the Company, three non-executive Directors hold positions in CGNPC. Gao Ligang, an executive Director and President, has been the general manager of CGNPC since July 2021. None of other members of the senior management of the Company holds positions in CGNPC.

While maintaining our independent and complete business system and independent operating ability, we will continue to regulate our connected transactions and reduce potential horizontal competition to maximize shareholders' interests. For instance, if the Company enters into connected transactions with CGN Group, four Directors Yang Changli, Gao Ligang, Li Li and Pang Songtao will abstain from voting.

### Horizontal competition with Controlling Shareholder

We entered into a Custodian Management Framework Agreement with CGNPC on April 28, 2014 and renewed the agreement on November 30, 2021, pursuant to which the Group will provide certain custodian services and will represent CGNPC in exercising certain management rights or powers over the custodian target companies.

As at December 31, 2023, the target companies under custody included: Xianning Nuclear Power Co., Ltd. (咸寧核電有限公司), Hubei Nuclear Power Co., Ltd. (湖北核電有限公司), Huizhou Nuclear, Cangnan Nuclear, Lingwan Nuclear Power Co., Ltd. (嶺灣核電有限公司), Anhui Wuhu Nuclear Power Co., Ltd. (安徽蕪湖核電有限公司), CGN Shaoguan Nuclear Power Co., Ltd. (中廣核韶關核電有限公司), CGN Jilin Nuclear Power Co., Ltd. (中廣核吉林核電有限公司), CGN Taishan No. 2 Nuclear Power Co., Ltd. (中廣核台山第二核電有限公司), CGN Hebei Nuclear Power Co., Ltd. (中廣核河北核電有限公司), CGN Zhanjiang Nuclear Power Co., Ltd. (中廣核湛江核電有限公司), CGN Huizhou No. 2 Nuclear Power Co., Ltd. (中廣核惠州第二核電有限公司), CGN Cangnan No. 2 Nuclear Power Co., Ltd. (中廣核蒼南第二核電有限公司), etc.

In order to limit potential competition between CGNPC and its subsidiaries (our Company excluded, and CGNPC's associates included for purposes of the connected transactions) ("**CGN Group**") and the Group, we and CGNPC have entered into a non-competition deed, pursuant to which CGNPC has given certain non-competition undertakings to the Company (for itself and for the benefits of other members of the Group), to the effect that it would not, and it would procure that its associates and connected persons (other than any members of the Group) do not and would not, directly or indirectly, whether on its own account or in conjunction with or on behalf of any person, firm or company among other things, carry on, participate, be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise be involved, whether for profit, reward or otherwise), any restricted business (other than the disclosed retained business of CGN Group in the Prospectus) during the agreed restricted period. Only the independent non-executive Directors may participate in deciding whether or not to accept any new business opportunity. In addition, in order to avoid potential competition between CGN Group and the Group for certain nuclear power projects retained by the former, we have obtained the right to acquire and the preemptive right regarding the retained business to better protect the interests of the Group.

In the progress of A Share Offering of the Company, CGNPC further made an undertaking to avoid horizontal competition, including, but not limited to, to procure, at its best efforts, investees of CGNPC not to, whether at present or in the future, engage or participate in any business or activity that has or might cause direct or indirect competition with principal operations of the Company and its controlling subsidiaries, to treat the Group as the sole platform for final integration of nuclear power generation business of CGNPC, as well as to transfer the domestic retained nuclear power business of CGNPC to the Company upon the fulfillment of specific conditions.



Pursuant to the deed of non-competition, in 2023, the Company received notification from CGNPC in respect of new business opportunities regarding the Phase II and Phase III nuclear power projects of the Cangnan Nuclear Power Base and the Phase II nuclear power project of the Huizhou Nuclear Power Base, as well as notification of the retention of the preemptive right for the business of Huizhou Nuclear. Upon prudent analysis, the Company proposed to refrain from investing in the aforesaid projects for the time being. The independent non-executive Directors of the Company also agreed in writing that the Company should refrain from participating in the investment in the aforesaid projects for the time being.

The independent non-executive Directors will closely monitor the performance of CGNPC under the non-competition deed and the undertaking to avoid horizontal competition, and the management of the Company will report to the Board on the relevant matters as and when appropriate on an ongoing basis. CGNPC confirmed that no breach of non-competition deed and undertaking to avoid horizontal competition has been found during the reporting period.

## Shareholders

### Shareholders' Rights

Shareholders' rights are based on certain laws and regulations, such as the Company Law of the PRC (the "Company Law"), the Hong Kong Companies Ordinance and the Listing Rules. Detailed descriptions on major rights of the shareholders are set out in the Corporate Governance Code of the Company, which mainly include:

- receiving dividends and other kinds of profit distribution in proportion to their respective shareholding;
- requesting, convening, hosting, attending or appointing proxies to attend and voting at general meetings in accordance with laws;
- supervising the Company's operating activities and making suggestions or inquiries;
- transferring, gifting or pledging their shares in accordance with laws, administrative regulations and the Articles of Association; and
- requesting for the relevant information of the Company in accordance with the laws, administrative regulations and the Articles of Association.

To protect shareholders' interests and rights, the Company will submit separate resolutions in respect of all matters (including the election of a specific Director or Supervisor) at general meetings of the Company.

All resolutions tendered at the general meetings will be subject to voting by way of poll in accordance with the Listing Rules. The poll results will be published timely on the websites of the Company, the Hong Kong Stock Exchange and the SZSE after the general meetings.

## Corporate Governance Report

### Convening Extraordinary General Meetings and Submission of Proposals

According to the Articles of Association, shareholders who individually or jointly hold 10% or more of the voting shares of the Company may request for the convening of an extraordinary general meeting (“EGM”). The relevant request may be proposed in writing to the Board requesting the Board to convene an EGM to deal with the matters specified in the request. In the event that the Board agrees to convene an EGM or class meeting, the notice of convening an EGM or class meeting shall be issued within five days from the passing of the relevant resolution of the Board. Any amendment to the proposal made in the notice requires approval of the shareholders concerned.

According to the Articles of Association, shareholders who individually or jointly hold more than 3% of the voting shares of the Company may submit a proposal to the Board in writing ten days before the date of the general meeting. The Board shall notify other shareholders within two days of receiving the proposal and include it for consideration at the general meeting. The written proposal shall be addressed to the Board at the Company’s headquarters in the PRC.

Further details about the procedures for shareholders to convene and put forward proposals at any general meeting are available on the Company’s website.

### Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to the email address: IR@cgnpc.com.cn.

### Shareholdings

#### Total number of registered shareholders

Unit: accounts

|   | As at<br>December 31,<br>2022 | As at<br>December 31,<br>2023 |
|---|-------------------------------|-------------------------------|
| Total number of registered shareholders | 256,309                       | 189,989                       |
| Registered holders of H shares          | 3,289                         | 3,206                         |
| Holders of A shares                     | 253,020                       | 186,783                       |

## Shareholder structure

| Nature of shares | Shareholders                         | Number of shares held (shares) | Approximate percentage of the Company's total issued shares (%) |
|------------------|--------------------------------------|--------------------------------|---|
| A shares         | CGNPC                                | 29,176,641,375                 | 57.78   |
|                  | Hengjian Investment                  | 3,428,512,500                  | 6.79  |
|                  | CNNC                                 | 1,679,971,125                  | 3.32  |
|                  | Other holders of A shares            | 5,049,861,100                  | 10.00   |
| H shares         | BlackRock, Inc.                      | 673,008,059                    | 1.33  |
|                  | CGNPC                                | 560,235,000                    | 1.11  |
|                  | China Life Insurance Company Limited | 261,863,000                    | 0.52  |
|                  | Other holders of H shares            | 9,668,581,941                  | 19.15   |

Note: The information above is relevant as at December 31, 2023.

As at the date of this Annual Report, our minimum public float meets the requirements of the Listing Rules.

## General Meetings

Pursuant to the Articles of Association, general meetings are divided into annual general meeting (“AGM”) and EGM. General meetings shall be convened by the Board. AGM is held once every year and within six months from the end of the preceding accounting year.

In 2023, we held the 2023 first EGM, the 2022 AGM/the 2023 first H shareholders’ class meeting/the 2023 first A shareholders’ class meeting and the 2023 second EGM.

### 2023 first EGM

|                                     |   |
|-------------------------------------|---|
| Date                                | February 10, 2023   |
| Location                            | CGN Building, Shenzhen  |
| Attendance                          | Total number of shares with voting rights represented by the shareholders attending the 2023 first EGM in person or by proxy was 38,910,448,918 shares, representing approximately 77.1% of the total number of shares. |
| Resolutions considered and approved | Ordinary resolutions:<br>Appointment of a non-executive Director<br>Measures on Performance Evaluation of the Independent Directors (Trial)   |

## Corporate Governance Report

### 2022 AGM

|                                     |   |
|-------------------------------------|---|
| Date                                | May 25, 2023  |
| Location                            | CGN Building, Shenzhen  |
| Attendance                          | Total number of shares with voting rights represented by the shareholders attending the AGM in person or by proxy was 39,154,721,744 shares, representing approximately 77.5% of the total number of shares.  |
| Resolutions considered and approved | <p>Ordinary resolutions:</p> <p>The report of the Board of Directors for the year ended December 31, 2022</p> <p>The report of the Supervisory Committee for the year ended December 31, 2022</p> <p>The annual report for the year 2022</p> <p>The audited financial report for the year ended December 31, 2022</p> <p>The profit distribution plan for the year ended December 31, 2022</p> <p>The investment plan and capital expenditure budget for the year 2023</p> <p>The re-appointment of KPMG Huazhen LLP as the financial report auditor of the Company for the year 2023 until the end of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration</p> <p>The re-appointment of Pan-China Certified Public Accountants LLP as the internal control auditor of the Company for the year 2023 until the end of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration</p> <p>The performance evaluation results of independent non-executive Directors for the year 2022</p> <p>The remuneration of Directors and Supervisors for the year 2023</p> <p>The continuing connected transactions – 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the proposed annual caps thereunder</p> <p>The continuing connected transactions – 2024-2026 Financial Services Framework Agreement and the proposed annual caps thereunder for the relevant years</p> |

Special resolutions:

The amendments to the Articles of Association

The registration and issuance of multi-type interbank debt financing instruments

The application for issuance of shelf-offering corporate bonds with the exchange

The grant of the general mandate to the Board of Directors for allotting, issuing and dealing with additional A Shares and/or H Shares during the relevant period

The grant of the general mandate to the Board of Directors for repurchasing A Shares and/or H Shares of the Company during the relevant period

### 2023 first H shareholders' class meeting

|                                     |   |
|-------------------------------------|---|
| Date                                | May 25, 2023  |
| Location                            | CGN Building, Shenzhen  |
| Attendance                          | Total number of H shares with voting rights represented by the H shareholders attending the H shareholders' class meeting in person or by proxy was 4,463,689,260 shares, representing approximately 40.0% of the total number of H shares. |
| Resolutions considered and approved | Special resolution:<br>The grant of the general mandate to the Board of Directors for repurchasing A Shares and/or H Shares of the Company during the relevant period   |

### 2023 first A shareholders' class meeting

|                                     |  |
|-------------------------------------|--|
| Date                                | May 25, 2023   |
| Location                            | CGN Building, Shenzhen   |
| Attendance                          | Total number of A shares with voting rights represented by the A shareholders attending the A shareholders' class meeting in person or by proxy was 34,690,743,484 shares, representing approximately 88.2% of the total number of A shares. |
| Resolutions considered and approved | Special resolution:<br>The grant of the general mandate to the Board of Directors for repurchasing A Shares and/or H Shares of the Company during the relevant period  |

# Corporate Governance Report

## 2023 second EGM

|                                     |   |
|-------------------------------------|---|
| Date                                | October 9, 2023   |
| Location                            | CGN Building, Shenzhen  |
| Attendance                          | Total number of shares with voting rights represented by the shareholders attending the 2023 second EGM in person or by proxy was 37,726,017,489 shares, representing approximately 74.7% of the total number of shares.  |
| Resolutions considered and approved | <p>Ordinary resolutions:</p> <ul style="list-style-type: none"> <li>The re-election and appointment of Directors</li> <li>The re-election and appointment of independent non-executive Directors</li> <li>The re-election and appointment of non-employee representative Supervisors</li> <li>The remuneration plan for Directors of the fourth session of the Board of Directors and Supervisors of the fourth session of the Supervisory Committee during their term of office</li> </ul> |

We are serious about the organization and convening of each general meeting. All Directors, Supervisors and senior management members attend the general meetings to the best of their abilities and answer questions of the shareholders with the presence of witnessing lawyer(s). The external auditors of the Company also attended the AGM, and replied to questions about audit practices, preparation and contents of the auditors' report, accounting policies and independence of auditors. The 2023 AGM of the Company is expected to be held in May 2024.



Details of the key questions from shareholders and our answers at the general meeting:



### Question of the shareholders

Please introduce the development plan and outlook of nuclear power under the new energy system structure and the “dual carbon” target.



### Answer from the Company

Nuclear power is an effective choice for securing the national energy safety and constructing a new power system based on new energy. The national policy on the development of nuclear power is clear, i.e. taking active, safe and orderly steps to develop nuclear energy. At present, the percentage of nuclear power in the domestic installed capacity and on-grid power generation is still relatively low. We believe that there is great room for the development of nuclear power under the “dual carbon” strategy. The Company will try its best in the development of initial projects and the preparation of new projects to ensure safety and quality, as well as technological advancement.

## Communication with Shareholders and Investors

Investor relations have always been regarded as highly important by the Company, the Board and our management. The Company has established the Management Rules on Investor Relations of CGN Power Co., Ltd., the Management Rules on Information Disclosure of CGN Power Co., Ltd. and other systems to regulate the activities of investor relations through these systems.

The Company continues to help our shareholders understand the Company in a timely and comprehensive manner through various communication channels. The Company established the Shareholders Communication Policy to maintain continuous and effective communication with shareholders. The Company’s latest Shareholders Communication Policy was updated on January 13, 2021 and is available on the Company’s website. The Company has complied with the Shareholders Communication Policy, which ensures that the Company communicates to its shareholders in an effective and timely manner, and maintains a continuous communication between the Board and shareholders. In 2023, we organized and participated in investor communication activities across different channels to enhance our communication with investors and help them gain a deeper understanding of the Company. Meanwhile, we highly value the views and feedback of shareholders and investors. We earnestly consider the advice and comments of shareholders and investors on the Company’s development strategy, operation and other aspects and provide feedback to the Board, the management and relevant departments of the Company through briefings, special reports and other means, in order to achieve the alignment between the Company’s business development and shareholder value and to protect the interests of the shareholders, thereby achieving effective and smooth two-way communication.

## Corporate Governance Report

### Communication Activities with Shareholders and Investors

Main channels of communication with shareholders and investors and the communication activities in 2023:

Regular report: Annual report, interim report, quarterly report, quarterly operation briefings and ESG report of the Company are published in a timely manner.

General meeting: the 2022 AGM/the 2023 first H shareholders' class meeting/the 2023 first A shareholders' class meeting were held in Shenzhen, Guangdong Province, China on May 25, 2023; the 2023 first EGM and the 2023 second EGM were held in Shenzhen, Guangdong Province, China on February 10, 2023 and October 9, 2023, respectively.

Results announcement conference: The 2022 annual results announcement conference was held in Shenzhen on March 16, 2023; the 2023 interim results announcement conference was held on August 25, 2023.

Results roadshow: The Company organized the annual results roadshow and the interim results roadshow in March and August 2023, respectively.

Research activities: We arranged interviews between the management and the investors and analysts from time to time to listen to their opinions and suggestions and respond to their concerns.

Analyst teleconference: The Company organizes teleconference for analysts and investors to facilitate detailed communication with the capital market after publishing quarterly operations, quarterly reports or in case of internal and external material matters. The Company held quarterly operation teleconferences in January and July 2023 and quarterly report teleconferences in April and October 2023.

Special investor communication: The Company took the initiative in organizing a group roadshow for four listed companies of CGNPC on May 11, participated in a roadshow in Hong Kong organized by the SZSE on September 22, and participated in a roadshow in Shenzhen organized by the SZSE on October 19.

Reverse roadshow: The Company organized a reverse roadshow in Daya Bay Nuclear Power Base and Yangjiang Nuclear Power Base on May 26, 2023 and August 25, 2023, respectively.

Daily communication: Timely response to the concerns of shareholders and investors on the IRM platform, investor hotline, and IR mailbox.

Company website ([www.cgnp.com.cn](http://www.cgnp.com.cn)): The Company publishes information and materials relevant to investors in the Chairman's Statement and Investor Relations columns.



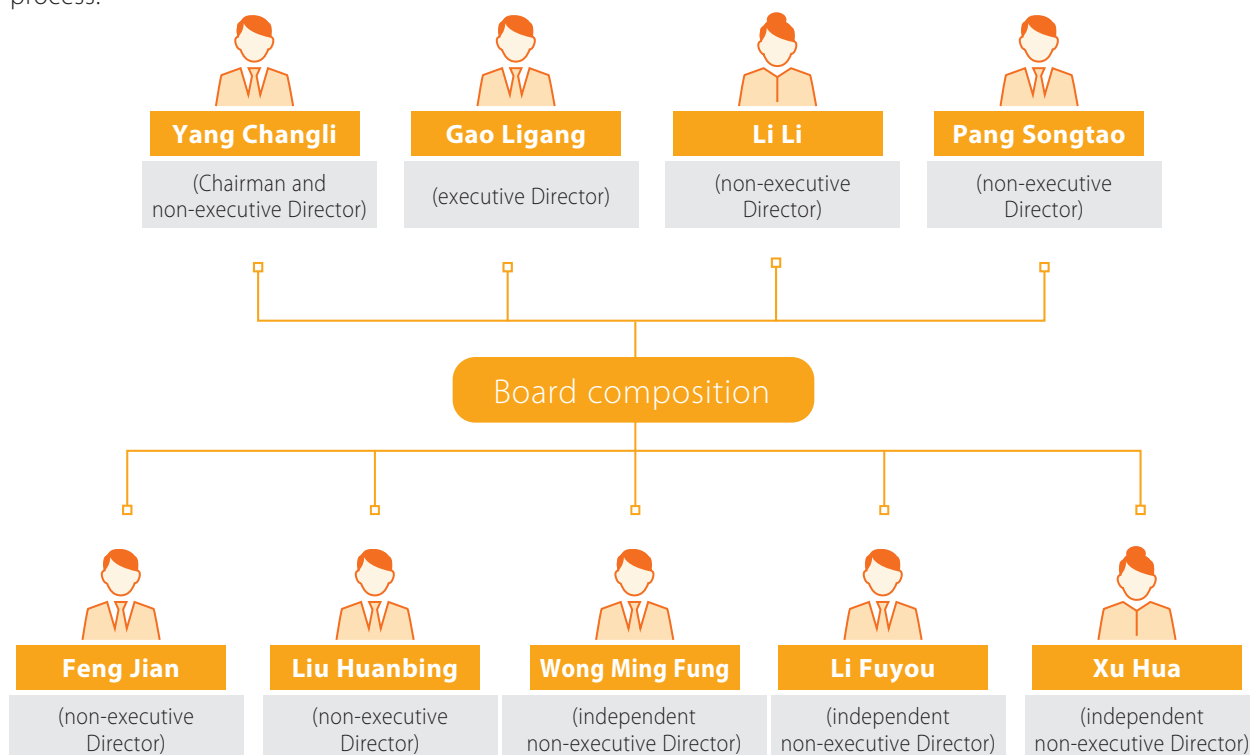
## Board of Directors

### Composition of the Board of Directors

We fully recognize the benefits of diversity in Board members to the development of the Company, and the Company is committed to establishing a board with members with a diverse background. The Board formulated the Board Diversity Policy and delegated the task of reviewing the policy regularly to the Nomination Committee.

Differentiation and diversity in many aspects, such as professional skills, industry experience, ages, qualifications and genders, are reflected in the composition of the members of this session of the Board. The members of this session of the Board possess over 20 years of extensive experiences in the electricity industry management, financial and accounting management, law, safety management, as well as supervision and management of state-owned enterprises respectively. They fully understand their duties, rights and responsibilities and are capable of performing their duties in a faithful, honest and diligent manner. After the change of Board session in October 2023, the Board includes two female Directors.

Pursuant to the Articles of Association, the Board of the Company comprises ten Directors. As of the date of this report, the Company has 9 current Directors. Subsequently, the Company will organize a by-election of an independent non-executive Director in due course based on the selection of independent Director candidates for the new session of the Board, or make necessary amendments to the relevant provisions of the Articles of Association. Except for Mr. Gao Ligang, being an executive Director and the President of the Company, all the remaining Directors are non-executive Directors who are independent of our management, including three independent non-executive Directors. Each of the independent non-executive Directors has confirmed that he/she is independent of the Company, thereby contributing to critical review and monitoring of management process.



## Corporate Governance Report

On October 9, 2023, the Company convened the 2023 second EGM, at which the members of the fourth session of the Board and the members of the fourth session of the Supervisory Committee were elected. On the same day, Mr. Yang Changli was elected as the Chairman of the Company at the first meeting of the fourth session of the Board, while the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee and the Nuclear Safety Committee of the Board elected their respective new committee chairman and members, detailed list of which is set out in the reports of the respective specialized committees.

The Board has at all times complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules for the year 2023 that at least three independent non-executive Directors have been appointed. Among them, at least one independent non-executive Director must have appropriate professional qualification or professional knowledge of accounting or professional knowledge related to financial management.

Each of the independent non-executive Directors has confirmed his/her independence according to Rule 3.13 of the Listing Rules, and all of them are considered as independent parties by the Company.

The Company has established a mechanism to ensure independent views and input are available to the Board, and conducted an annual review of the implementation and effectiveness of such mechanism. The Board maintains a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with a majority of non-executive Directors (including independent non-executive Directors) and no less than one-third of independent non-executive Directors to ensure the independence of the Board. The Company has established various channels for the independent non-executive Directors to express their opinions, and secure sufficient time for Board meetings and Board Committee meetings to ensure that the Directors have sufficient time and channels to express their review opinions. The management of the Company seeks independent professional advisors to provide consultation services for Directors requiring such services, which are included in the budget to provide funding.

Since provisions of the Hong Kong Stock Exchange Code require Directors to disclose the number and nature of positions held in listed companies or entities and other material commitments, and their identities and duration of employment with the issuer, therefore, the Directors have agreed to disclose their relevant information timely to the Company.

Please refer to “Board of Directors, Supervisory Committee and Senior Management” set out on page 84 to 86 of this Annual Report for the biographical details of all Directors. Except for those disclosed in such section, no other information relating to the relationship between Directors and Supervisors and other Directors, Supervisors and senior management shall be disclosed according to the Hong Kong Stock Exchange Code.

The Board has set out the Procedural Rules of Board of Directors, which specify the terms of reference of the Board and procedures for the Board meetings, etc., and also set out special arrangements for voting on resolutions regarding major related party transactions and contracts. Directors shall not vote on any contract, transaction, arrangement or proposal in which he/she or any of his/her associates is materially interested, nor shall he/she be counted in the quorum. Where the number of the Directors who can vote on this matter is less than three, such issue shall be submitted to a general meeting for voting. In addition, the independent non-executive Directors shall provide independent opinions in accordance with laws and regulations and the Listing Rules. The Company will strictly review each resolution proposed at the Board meetings to find out whether there is any conflict of interest that requires Directors to abstain from voting and remind all Directors for confirmation before meetings. For example, Directors Mr. Yang Changli and Mr. Gao Ligang, and the then Director Mr. Shi Bing, have refrained from voting when we considered and approved the resolution “continuing connected transactions – 2024-2026 Nuclear Fuel Supply and Services Framework Agreement and the proposed annual caps thereunder for the relevant years”.

## Duties of the Board

As the operating decision-making body of the Company, the Board performs its duties in accordance with the provisions set out in the Articles of Association. The Board is responsible for overall leadership of the Group, supervision on the Group’s strategic decisions and supervision on business and performance. The Board reports its work to the general meeting, implements the resolutions resolved at the general meeting and is accountable to the general meeting. The Board has delegated the powers and responsibilities for daily management and operation of the Group to the senior management of the Company.

All Directors of the Company are aware of their joint responsibility for the Company’s operations, business and development, and perform their duties in accordance with the provisions of the service contract and the Corporate Governance Code of the Company. All Directors must ensure that they have complied with the applicable laws and regulations, and devote sufficient time and efforts to handle the affairs of the Company, to act with integrity, prudence and skills and to assume their respective responsibilities.

## Corporate Governance Report

### The major responsibilities of the Board include:

formulating strategic guideline of the Company;

developing working targets of the management;

evaluating the performance of the management;

ensuring the Company implements a prudent and effective regulatory framework to evaluate and manage risks;

performing the function of corporate governance for the Company or arranging for one or more committees to perform related duties; and

authorizing the specialized committees to perform relevant detailed responsibilities in accordance with the requirements of the Procedural Rules of Board of Directors and the terms of reference of the specialized committees.

To facilitate the Directors' access to the support for duty performance, the Company, pursuant to the Listing Rules and the Articles of Association, compiled the Handbook on Duty Performance of Directors of CGN Power, providing Directors with reference for the rules and guidelines of duty performance.

### The main corporate governance duties of the Board include:

developing and reviewing the policies and practices regarding the corporate governance of the Company;

reviewing and monitoring the training and continuous professional development of the Directors and senior management;

reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

developing, reviewing and monitoring the rules regarding code of conduct applicable to employees and Directors; and

reviewing the Company's compliance with the Corporate Governance Code of the Company and the Hong Kong Stock Exchange Code, and disclosing the same in the Corporate Governance Report.

## Delegation by the Board

The Board retains the power to decide on all material matters pertaining to the Company, including: approval and supervision on all policy matters, overall strategies and budgets, internal control and risk management system, material transactions (in particular those possibly involving a conflict of interests), financial information and other major financial and operation matters. The Directors may seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently. The daily management, administration and operation of the Company are delegated to the senior management. The delegated functions and responsibilities will be reviewed by the Board on a regular basis.

## Board Committees

The Board established four committees with specific terms of reference, namely the Audit and Risk Management Committee, the Remuneration Committee, the Nomination Committee and the Nuclear Safety Committee. The specialized committees shall conduct study on specific matters and furnish advice and recommendations thereon as a reference for the Board in its decision-making.

### Audit and Risk Management Committee

Please refer to the "Audit and Risk Management Committee Report" set out on page 148 of this Annual Report for details of the Audit and Risk Management Committee, including its composition and annual work summary.

#### The duties and responsibilities of the committee mainly include:

To provide advice on the appointment, reappointment, removal and remuneration of the independent auditors, and to review the independence of the auditing agency appointed by the issuer and to give opinions on its independence;

To review and monitor the independence and objectivity of the independent auditors as well as the effectiveness of the audit process in accordance with the applicable standards, and discuss the nature and scope of the audit with the independent auditors before the audit commences;

To formulate and implement policies on engaging external auditors to provide non-audit services according to work needs. The Audit and Risk Management Committee shall report and make recommendations to the Board on any matters where action or improvement is needed;

To review the quarterly, half-year and annual financial statements to be proposed to the Board, monitoring the completeness, accuracy and fairness of the financial statements of the Company. In reviewing these financial statements, the Committee shall focus on: any changes in accounting policies and estimates, areas involving critical judgment, significant adjustments required by the independent auditors after auditing the accounts, the going concern assumptions and any qualifications, compliance with accounting standards and the relevant legal requirements;

## Corporate Governance Report

To consider any significant or unusual items which are reflected or required to be reflected in the reports and accounts of the Company, and give due consideration to any matters raised by the Company's accounting and finance department, compliance department or auditors;

To discuss the review of the half-year accounts and audit of the Company by the independent auditors;

To review the independent auditors' explanatory notes of inspection or management proposal letter (including any material queries raised by the independent auditors regarding the accounting records, financial accounts or monitoring system), and the responses to queries from the management officers of the Company;

To communicate with the Board, senior management officers and the independent auditors in respect of the Company's financial reports on a regular basis, at least two meetings must be convened each year with the independent auditors of the Company;

To be responsible for any important communication between internal auditors and external auditors;

To review the Company's financial policies, internal audit system, internal control system and risk management system, and their implementation;

The Audit and Risk Management Committee shall establish the relevant procedures for dealing with the following issues: receiving, retaining and dealing with complaints coming to the knowledge of the Company in relation to accounting, internal control, risk management or auditing matters; receiving or handling complaints or whistle blowing from the Company's employees on accounting or auditing matters and keeping their confidentiality;

To actively understand the work dynamics of the internal audit department, timely coordinate major internal control deficiencies found and to report to the Board of Directors; and

To fulfill other duties and responsibilities delegated by the securities regulatory authorities in the jurisdiction where the Company is listed.

## Remuneration Committee

Please refer to the “Remuneration Committee Report” set out on page 150 of this Annual Report for details of the Remuneration Committee, including its composition, annual work summary, remuneration policy and remuneration of Directors, Supervisors and senior management in 2023.

### The duties and responsibilities of the committee mainly include:

To study the remuneration (including benefits in kind, pensions and compensation payments) policy, structure and procedures for formulating remuneration policies for Directors, Supervisors and senior management officers and make recommendations to the Board. The procedures for formulating remuneration policies shall be formal and transparent;

To consider and make recommendation on the appraisals of Directors, Supervisors and senior management officers;

To review and approve performance-based remuneration proposals for management officers with reference to corporate goals and objectives set by the Board;

To organize the Company’s performance evaluation of management personnel except Supervisors;

To approve with authority delegated by the Board or make recommendations to the Board on the remuneration and benefits of the individual executive Directors and senior management officers;

To make recommendations to the Board on the remuneration of non-executive Directors;

To consider the level of salaries paid by comparable companies, time commitment and responsibilities of the relevant individual, and other positions held by such individual in the Company when determining the remuneration and benefits for Directors, Supervisors and senior management officers;

To supervise the implementation of the remuneration system for Directors, Supervisors and senior management officers of the Company;

To review and approve the compensation arrangements for Directors, Supervisors and senior management officers for any loss or termination of office and dismissal due to misconduct; and

To ensure that none of the Directors or any of his/her associates will be involved in deciding on his/her own remuneration.

## Corporate Governance Report

### Nomination Committee

Please refer to the “Nomination Committee Report” set out on page 152 of this Annual Report for details of the Nomination Committee, including its composition and annual work summary.

#### The duties and responsibilities of the committee mainly include:

To review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board on a regular basis annually, and make recommendations on any proposed changes to the Board to complement the Company’s strategies;

To review the selection criteria and procedures for Directors and senior management and make recommendations thereon;

To recommend individuals suitable to become Directors and senior management; select and nominate such individuals for directorships or make recommendations to the Board thereon;

To assess the independence of the independent non-executive Directors;

To make recommendations to the Board for the appointment or reappointment of Directors and succession planning for Directors;

To review the Board diversity policy and any measurable objectives for implementing such Board diversity policy as may be adopted by the Board from time to time, and to review the progress of achieving relevant objectives; and

To fulfill such other duties and responsibilities delegated by the Board.

### Nuclear Safety Committee

Please refer to the “Nuclear Safety Committee Report” set out on page 154 of this Annual Report for details of the Nuclear Safety Committee, including its composition and annual work summary.

#### The duties and responsibilities of the committee mainly include:

To listen to presentation of the Company relating to status of nuclear safety;

To listen to independent nuclear safety assessment reports by third-party organizations obtained by the Company;

To implement necessary nuclear safety oversight, offer guidance and conduct research activities in accordance with the needs;

To report observations and recommendations to the Board;

To give appropriate response to the shareholders’ meeting on nuclear safety issues of concern;

To fulfill such other duties and responsibilities delegated by the Board; and

To fulfill other duties and responsibilities delegated by the regulatory authorities in the jurisdiction where the Company is listed.



## Particulars of Board Meetings

The Company has adopted the practice of holding Board meetings on a regular basis. The Company set out the next year's meeting schedule one year in advance. The notice of regular Board meeting and the meeting documents signed and issued by the management or chairmen of specialized Board Committees will be sent to all Directors at least 14 days prior to the date of convening the meeting to enable them to attend the meeting, have sufficient time to familiarize themselves with the meeting content and decision-making matters and include relevant matters for consideration in the agenda.

During the reporting period, we convened a total of seven Board meetings (including five regular meetings and two extraordinary meetings). The convening and voting procedures of such meetings were all in compliance with the requirements under the Articles of Association and the Procedural Rules of Board of Directors. Details of the meetings are as follows:

| No | Meeting   | Date              | Mode     |
|----|---|-------------------|----------|
| 1  | Twenty-first meeting of the third session of the Board of Directors                   | January 4, 2023   | Physical |
| 2  | Twenty-second meeting of the third session of the Board of Directors                  | March 15, 2023    | Physical |
| 3  | Twenty-third meeting of the third session of the Board of Directors                   | April 25, 2023    | Physical |
| 4  | Twenty-fourth meeting of the third session of the Board of Directors                  | August 23, 2023   | Physical |
| 5  | First meeting of the fourth session of the Board of Directors (extraordinary meeting) | October 9, 2023   | Physical |
| 6  | Second meeting of the fourth session of the Board of Directors <sup>Note</sup>        | October 25, 2023  | Physical |
| 7  | Third meeting of the fourth session of the Board of Directors (extraordinary meeting) | December 20, 2023 | Physical |

Note: Before this Board meeting, the Chairman held a symposium with independent non-executive Directors, without attendance of other Directors.

## Corporate Governance Report

All resolutions proposed at above meetings were approved. Save for the resolutions passed at above general meetings, major resolutions considered and approved by the Board during this reporting period also include:

2023 Operational Plan

2023 Comprehensive Risk Management Report

2023 Internal Audit Plan

Amendment to the Management Rules on Comprehensive Risk Management of CGN Power Co., Ltd.

Amendment to the Terms of Reference for the Specialized Committees under the Board of Directors of CGN Power Co., Ltd.

Amendment to the Articles of Association of CGN Power Co., Ltd.

Amendment to the Management Measures on Guarantees of CGN Power Co., Ltd.

Amendment to the Management Rules on Capital Flows to and from Related Parties of CGN Power Co., Ltd.

Amendment to the Management Rules on Internal Auditing of CGN Power Co., Ltd.

Amendment to the Accounting System of CGN Power Co., Ltd.

## Attendance of Directors at the Board Meetings, Board Committee Meetings and General Meetings

The table below shows details of attendance of Directors at the Board meetings, Board Committee meetings and general meetings during this reporting period.

| Name                           | Position   | Attendance/Frequency of Meetings |                                     |                        |                      |                          |                 |
|--------------------------------|--|----------------------------------|-------------------------------------|------------------------|----------------------|--------------------------|-----------------|
|                                |  | Board Meeting                    | Audit and Risk Management Committee | Remuneration Committee | Nomination Committee | Nuclear Safety Committee | General Meeting |
| Yang Changli <sup>(1)</sup>    | Chairman of the Board and Non-executive Director, NS (Chairman), P | 7/7                              | -                                   | -                      | 4/4                  | 2/2                      | 3/3             |
| Gao Ligang <sup>(1)</sup>      | Executive Director and President, NS                               | 7/7                              | -                                   | -                      | -                    | 2/2                      | 3/3             |
| Shi Bing <sup>(2)</sup>        | Non-executive Director   | 4/4                              | -                                   | -                      | -                    | -                        | 2/3             |
| Li Li <sup>(1)</sup>           | Non-executive Director   | 2/3                              | -                                   | -                      | -                    | -                        | 1/1             |
| Pang Songtao <sup>(1)</sup>    | Non-executive Director   | 3/3                              | -                                   | -                      | -                    | -                        | 1/1             |
| Feng Jian <sup>(1)(3)</sup>    | Non-executive Director, S, NS                                      | 5/6                              | -                                   | 2/2                    | -                    | 1/1                      | 3/3             |
| Gu Jian <sup>(2)</sup>         | Non-executive Director, A, NS                                      | 4/4                              | 2/4                                 | -                      | -                    | 2/2                      | 3/3             |
| Liu Huanbing <sup>(1)</sup>    | Non-executive Director, NS   | 3/3                              | -                                   | -                      | -                    | -                        | 1/1             |
| Li Fuyou <sup>(1)</sup>        | Independent non-executive Director, P (Chairman), A, NS            | 7/7                              | 1/1                                 | -                      | 4/4                  | 2/2                      | 3/3             |
| Yang Jiayi <sup>(2)</sup>      | Independent non-executive Director, A (Chairman), S                | 4/4                              | 4/4                                 | 3/3                    | -                    | -                        | 2/3             |
| Xia Ceming <sup>(2)</sup>      | Independent non-executive Director, S (Chairman), P                | 4/4                              | -                                   | 3/3                    | 4/4                  | -                        | 3/3             |
| Tang Chi Cheung <sup>(2)</sup> | Independent non-executive Director, A                              | 4/4                              | 4/4                                 | -                      | -                    | -                        | 3/3             |
| Wong Ming Fung <sup>(1)</sup>  | Independent non-executive Director, S (Chairman), A, P             | 3/3                              | 1/1                                 | -                      | -                    | -                        | 1/1             |
| Xu Hua <sup>(1)</sup>          | Independent non-executive Director, A (Chairman), S                | 3/3                              | 1/1                                 | -                      | -                    | -                        | 1/1             |

A: Audit and Risk Management Committee P: Nomination Committee NS: Nuclear Safety Committee S: Remuneration Committee

Notes:

- (1) At the 2023 second EGM of the Company, Mr. Yang Changli and Mr. Feng Jian were elected as non-executive Directors, Mr. Gao Ligang was elected as an executive Director, and Mr. Li Fuyou was elected as an independent non-executive Director; Ms. Li Li, Mr. Pang Songtao and Mr. Liu Huanbing were appointed as non-executive Directors, and Mr. Wong Ming Fung and Ms. Xu Hua were appointed as independent non-executive Directors, which became effective on October 9, 2023.
- (2) Mr. Shi Bing and Mr. Gu Jian retired as non-executive Directors after the 2023 second EGM due to expiry of their terms of office, which became effective on October 9, 2023; Mr. Yang Jiayi, Mr. Xia Ceming and Mr. Tang Chi Cheung retired as independent non-executive Directors after the 2023 second EGM due to expiry of their terms of office, which became effective on October 9, 2023.
- (3) Mr. Feng Jian was appointed as a non-executive Director at the 2023 first EGM of the Company, which became effective on February 10, 2023.

Certain Directors were unable to attend relevant meetings due to other business engagements and delegated in writing to the proxies to vote on relevant matters on their behalf.

# Corporate Governance Report

## Training for Directors

As stipulated by the Listing Rules, a director shall be aware of his duties. All newly appointed Directors have been provided with necessary induction training and information to ensure that they will have proper understanding of the operation and business of the Company and their responsibilities under the relevant laws, regulations and rules.

In order to provide better assistance to the Directors for performing their duties, we have actively made arrangements for the Directors to participate in trainings in relation to, among others, the business and corporate governance aspects of a listed company. Furthermore, we will provide the Directors with written information on applicable policies and regulations issued by the regulators from time to time.

In addition, the management of the Company will monthly provide the Directors with a monthly management report, which sets out the particulars such as achievements of our operating indicators, safety and environmental management, production and operation, project construction, the Company's performance in the capital market and other important matters.

We will arrange the Directors to participate in inspections from time to time every year to enable them to have a better understanding of our operation and business, and invite and encourage them to furnish reasonable suggestions and advice to the Company based on their respective areas of expertise.

The current Directors have received the following trainings in relation to the roles, functions and duties of directors of listed companies for the year ended December 31, 2023.

| Director                       | Type of training  |                   |                     |
|--------------------------------|-------------------|-------------------|---------------------|
|                                | Reading Materials | Specific Training | On-site Inspections |
| Yang Changli <sup>(1)</sup>    | √                 | √                 |                     |
| Gao Ligang <sup>(1)</sup>      | √                 | √                 |                     |
| Shi Bing <sup>(2)</sup>        | √                 | √                 |                     |
| Li Li <sup>(1)</sup>           | √                 | √                 |                     |
| Pang Songtao <sup>(1)</sup>    | √                 | √                 |                     |
| Feng Jian <sup>(1)(3)</sup>    | √                 | √                 | √                   |
| Gu Jian <sup>(2)</sup>         | √                 | √                 | √                   |
| Liu Huanbing <sup>(1)</sup>    | √                 | √                 | √                   |
| Li Fuyou <sup>(1)</sup>        | √                 | √                 | √                   |
| Yang Jiayi <sup>(2)</sup>      | √                 | √                 | √                   |
| Xia Ceming <sup>(2)</sup>      | √                 | √                 | √                   |
| Tang Chi Cheung <sup>(2)</sup> | √                 | √                 | √                   |
| Wong Ming Fung <sup>(1)</sup>  | √                 | √                 |                     |
| Xu Hua <sup>(1)</sup>          | √                 | √                 | √                   |

(1) At the 2023 second EGM of the Company, Mr. Yang Changli and Mr. Feng Jian were elected as non-executive Directors, Mr. Gao Ligang was elected as an executive Director, and Mr. Li Fuyou was elected as an independent non-executive Director; Ms. Li Li, Mr. Pang Songtao and Mr. Liu Huanbing were appointed as non-executive Directors, and Mr. Wong Ming Fung and Xu Hua were appointed as independent non-executive Directors, which became effective on October 9, 2023.

(2) Mr. Shi Bing and Mr. Gu Jian retired as non-executive Directors after the 2023 second EGM due to expiry of their terms of office, which became effective on October 9, 2023; Mr. Yang Jiayi, Mr. Xia Ceming and Mr. Tang Chi Cheung retired as independent non-executive Directors after the 2023 second EGM due to expiry of their terms of office, which became effective on October 9, 2023.

(3) Mr. Feng Jian was appointed as a non-executive Director at the 2023 first EGM of the Company, which became effective on February 10, 2023.

#### Reading Materials:

Company Management Monthly Report Once a month and a total of 12 issues.

#### Specific Trainings:

On April 26, 2023, a lecture mainly on the macroeconomic environment outlook of the PRC was given by the chief economist of an investment bank.

From June 29 to July 28, 2023, Mr. Feng Jian, a non-executive Director, participated in the first session of the initial training class for directors, supervisors and senior management of listed companies in 2023 organized by the SZSE.

On August 18, 2023, our independent non-executive Directors attended an online training course for independent director database and an interpretation assembly for the reform of the independent director system organized by the China Association for Public Companies.

On August 23 and September 12, 2023, Ms. Xu Hua and Mr. Wong Ming Fung, independent non-executive Directors, completed the pre-appointment training for independent directors of listed companies on the SZSE and obtained independent director qualification certificates.

On October 25, 2023, a lecture mainly on the thoughts and practice on digital transformation of power companies was given by an expert in the science and technology industry.

#### On-site Inspections:

Conducted on-site inspections at Leye County and Lingyun County (which were our designated locations for supporting rural revitalization), and Fangchenggang Nuclear, from February 11 to 14, 2023.

Conducted on-site inspections at China Techenergy Co., Ltd. and CGNPC Uranium Resources Co., Ltd. on April 26, 2023.

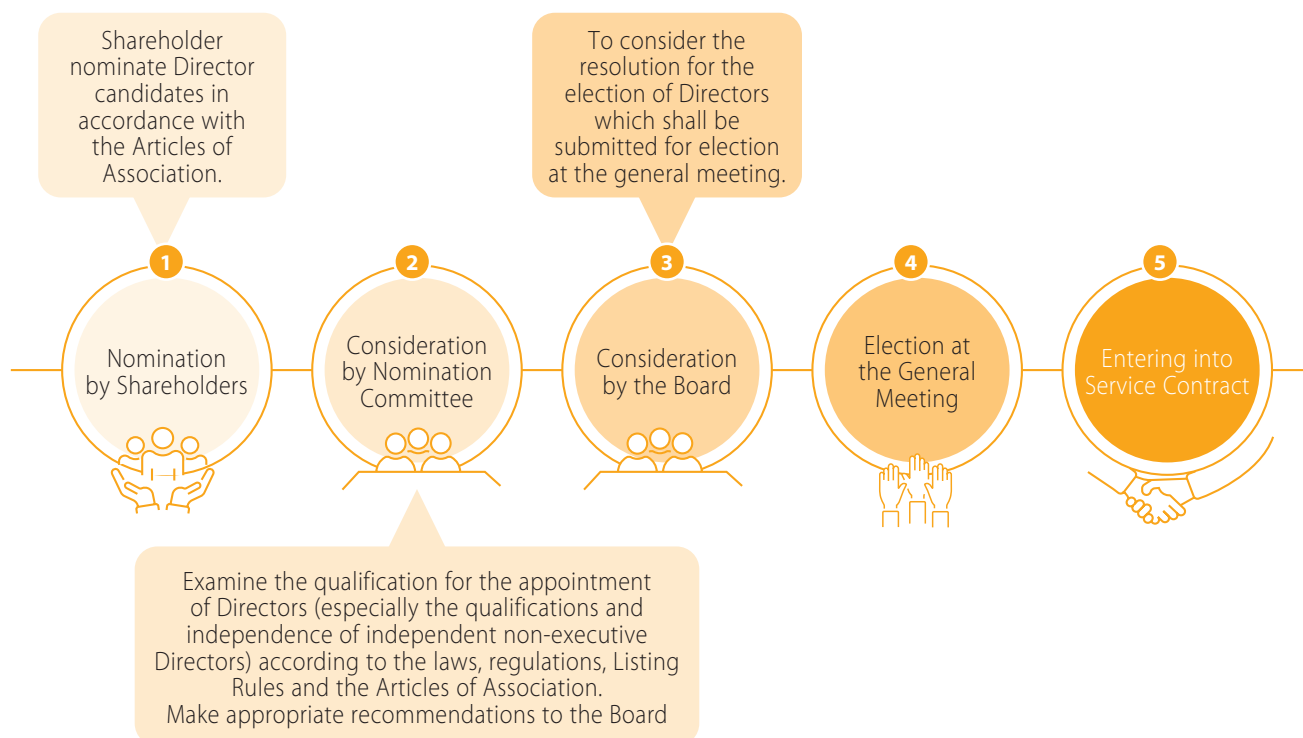
Conducted on-site inspections at CNNC Lanzhou Uranium Enrichment Co., Ltd. (中核蘭州鈾濃縮有限公司) and CNNC 404 Co., Ltd. (中核四0四有限公司) from June 6 to 9, 2023.

Conducted on-site inspections at China Dongfang Electric Group Co., Ltd (中國東方電氣集團有限公司) and CNNC Jianzhong Nuclear Fuel Co., Ltd. (中核建中核燃料元件有限公司) from September 12 to 15, 2023.

Conducted an on-site inspection at Daya Bay Nuclear Power Base on October 24, 2023.

## Appointment and Re-election of Directors

According to the Articles of Association, the Directors shall be elected at the general meeting and each term of office shall be three years. Directors must retire by rotation at least once every three years and may be reelected for continuous appointment. The Company formulated the procedures for selection, appointment and re-election of Directors, and specified the working process and duties in appointment and re-election of Directors.



## Board Diversity

### Policy on Board Diversity

The Board has approved the Board Diversity Policy of the Company, setting forth: (1) purpose of the policy; (2) outlook; (3) principles; (4) candidates of the Board should be considered for various factors including but not limited to gender, age, culture and education background, race, professional experience, skills, knowledge and term of services; and (5) review and report. The policy is available on the Company's website.

Pursuant to the Board Diversity Policy of the Company, the Company formulated the assessment indicators for reviewing the structure and composition of the Board, including age, gender and profession. The relevant indicators complied with the Listing Rules and the Board Diversity Policy of the Company.

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy of the Company. The Directors of the current Board have professional backgrounds in technology, finance, auditing, management and economics as well as extensive management experience. The Directors have gender diversity, a reasonable age structure, diverse educational backgrounds, extensive professional experience, and reasonable term of service. The implementation of the Board Diversity Policy has met expectations, and no further revision is currently required.

## Gender Diversity

In 2022, the Nomination Committee formulated a gender diversity plan for the Board to promote gender diversity on the Board of the Company. After the change of Board session on October 9, 2023, the fourth session of the Board includes two female Directors, achieving the Company's long-term goal of gender differentiation on the Board members.

## Directors' Undertakings

Directors have confirmed that they have devoted sufficient time and attention to the affairs of the Company during the year. All Directors have also disclosed to the Company the number and nature of their positions held in public companies or entities listed in the PRC, Hong Kong and overseas and other significant commitments, and provide the names of the public companies and entities and the time involved in working for the relevant positions.

Each of the Directors has signed the Declaration for Dealing in the Company's Securities by Directors, Supervisors and Senior Management 《董事、監事和高級管理人員買賣本公司證券聲明書》, undertaking to comply with the relevant confidentiality provisions and the securities dealing requirements, and has undertaken to obtain the prior written approval from the Chairman of the Board or the designated Directors before dealing in the Company's securities and report and disclose the same to the Hong Kong Stock Exchange and the SZSE. All Directors have signed the confirmation for disclosure of interests by directors, supervisors and senior management on both Board meetings for annual and interim results. Directors shall notify the Company in writing of any changes in their personal information on a timely basis in order for the Company to timely report the same to the Hong Kong Stock Exchange, the SZSE and the Hong Kong Companies Registry within the prescribed period.

The Board office of the Company will regularly remind Directors to provide the company secretary with the information required to be disclosed in connection with matters needing disclosure by individuals under the Listing Rules on a timely basis.

## Directors' Interest

As recorded in the register required to be kept pursuant to Section 352 of Part XV of the Hong Kong Securities and Futures Ordinance, none of the Directors held any shares of the Company or any of the Company's associated corporations as at December 31, 2023.

## Corporate Governance Report

### Model Code for Securities Transactions

The Company has formulated and adopted the Code for Securities Transactions by Directors and Specific Persons, the provisions of which are not less stringent than the Model Code in Appendix C3 to the Listing Rules. After making specific enquiries by the Company, the Directors of the Company have all confirmed that they have complied with the above two codes for the year 2023.

### Roles of Chairman and President

According to the requirements of provision C.2.1 of the latest Hong Kong Stock Exchange Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. In 2023, Mr. Yang Changli and Mr. Gao Ligang served as the Chairman and the President, respectively. The Articles of Association have expressly specified the functions and powers of the Chairman and the President. The main functions and powers of the Chairman include presiding over the general meetings, convening and presiding over meetings of the Board and reviewing the implementation status of passed Board resolutions. The main functions and powers of the President include being in charge of the Company's production, operation and management.

Pursuant to the Articles of Association, the President shall coordinate the implementation of the passed Board resolutions and report his/her work to the Board; the Chairman shall prepare the Directors' Report on behalf of the Board and submit the same to the Company's AGM for consideration.

### Directors' Financial Reporting Responsibilities in respect of Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended December 31, 2023 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided the necessary explanations and information to the Board enabling the Board to make an informed assessment on the Company's financial statements submitted to the Board for approval.

The statement made by the auditors of the Company on their reporting responsibilities in respect of the Company's financial statements is contained in "Audit Report" on page 174 of this Annual Report.



## Supervisory Committee

Please refer to the “Supervisory Committee Report” as set out on page 156 of this Annual Report for details of the Supervisory Committee, including its composition, duties and responsibilities and the annual work summary for the year.

## Company Secretary

Mr. Yin Engang, being the chief financial officer, the secretary of the Board and a joint company secretary, serves as the main contact person of the Company. To comply with the Listing Rules, the Company has appointed Ms. Ng Sau Mei of TMF Hong Kong Limited as a joint company secretary of the Company, to provide assistance to Mr. Yin Engang. The joint company secretaries also play essential roles in supporting the Chairman, the Board of Directors and the specialized committees of the Board by ensuring on time and precise information flow, so the Board policies, procedures and decisions are followed. The joint company secretaries have the right to advise on the corporate governance matters and assist Directors to familiarize themselves with the affairs of the Company and acquire professional development.



In 2023, Mr. Yin Engang was rated as “5A” (the highest grade) in the Performance Evaluation of the Secretary of the Board of Directors of Listed Companies of the China Association for Public Companies, and the Golden Bull Secretary Award for listed companies from the China Securities Journal.

According to Rule 3.29 of the Listing Rules, the current joint company secretaries of the Company, Mr. Yin Engang and Ms. Ng Sau Mei, had taken not less than 15 hours of relevant professional training during the financial year ended December 31, 2023.

## Management and Staff

As at the end of the reporting period, the total number of employees of the Company (excluding affiliated companies) was 19,038, and the percentage of male employees and female employees was 88.12% and 11.88% respectively. The Group adheres to an employment policy of equality and diversity. We oppose any discriminatory, including gender discrimination, and are committed to gender diversity in our workforce.

The responsibility of the management and staff of the Company is the successful implementation of strategy and direction determined by the Board, and they must observe national and local laws and regulations, and safeguard the interest of shareholders.

The delegation of specific authorities by the Board to the management is stated in the Provisions on the Corporate Governance Authorization (《治理授權規定》), and any amendment to the corporate governance authorization of the Company requires approval of the Board. The authorization delegated to the management and staff below the level of President have been stated in the provisions on the management authorization, and any amendment to the management authorization of the Company requires approval of the President.

## Corporate Governance Report

The Staff Manual 《員工手冊》, which is compiled by the Company as an appendix to the employment contract, has the same effect as that of the employment contract. All staff who have signed employment contracts with the Company shall sign for receipt of the Staff Manual and make a statement that they have received, been aware of and will comply with all provisions set out in the Staff Manual. All management and staff are subject to the specific obligations as set out in the Staff Manual in respect of the work time, disciplines, workplace code, confidentiality and non-competition restriction, conflict of interests, value and code of conduct. All management and staff receive training on the Staff Manual on regular basis in order to ensure their understanding of the Staff Manual.

The Company has formulated handling measures of non-compliance and disciplinary matters by employees, Code of Conduct of Listed Companies, Detailed Implementing Measures of the Eight-point Decision of the Central Government, as well as management measures on discipline inspection. These applicable rules for handling non-compliance and disciplinary matters should be strictly abided by all management and employees.

In 2023, we strengthened the deployment of disciplinary staff in certain members of the Group. Through various measures such as carrying out discipline education and learning month activities, visiting the local prison, convening education conferences, initiating typical cases study and making videos for alerting awareness, we reinforced the reporting of typical cases of violations of discipline and law among our own employees and strengthened the promotion of honest practices among our staff, which were well received by the staff. In 2023, we found 10 breaches of discipline and regulations, all of which were handled in strict accordance with relevant system and procedures. The disciplinary actions carried out included warnings, demerits, demotions (reduction in rank), removal from office, and dismissals, etc. Such cases concerning noncompliance with discipline and regulations did not have significant impact on our financial statements and the overall operation. The actions taken in respect of the non-compliance with discipline and regulations provided effective reminders on honest practices and facilitated the improvement of management of the Company. The Company has established effective whistleblower channels to report any malpractices or irregularity in any matters related to the Company.

The principles and details of the remuneration of senior management officers are set out in the “Remuneration Committee Report” on page 150 of this Annual Report.

The Company has attached great importance to the continuous professional development of management and staff. The details of its talent cultivation are set out in the “Human Capital” on page 57 of this Annual Report.

## Internal Auditors

The Company has established an internal audit department, which plays a major role in monitoring the internal governance of the Company. The Group has 91 auditing staff with related professional qualifications (such as intermediate and senior auditors, internal auditors with international certifications, international certified information systems auditors, international internal control self-assessment professional qualifications, PRC certified public accountants, members of the Association of Chartered Certified Accountants in UK, legal professional qualification, cost engineers and nuclear safety engineers).

Duties of the internal audit department include:

Unrestricted access to review all aspects of the activities and internal controls of the Company;

Specific audits on the business, procedures, expenditures and internal controls of all functional departments, business units, subsidiaries and major affiliated companies of the Company on a regular basis; and

Specific reviews or audits of areas of concern identified by management or the Audit and Risk Management Committee.

The manager of the internal audit department is nominated by the Audit and Risk Management Committee and engaged by the Board, reports directly to the Audit and Risk Management Committee and the President, and his/her audit opinions will be reflected directly to the Board through the Chairman of the Audit and Risk Management Committee.

In 2023, the internal audit department of the Company conducted specific audits on key areas of management such as internal control, scientific research management, construction residual materials management, audit rectification management, risk management and financial management of the Company as well as areas of concern identified by the management, and issued reports to senior management officers.

## External Auditors

KPMG Huazhen LLP has audited the consolidated financial statements for the year 2023 prepared by the Company in accordance with the CASBE. Pan-China Certified Public Accountants LLP has expressed its audit opinion on the effectiveness of financial report internal control of the Company in 2023 according to the relevant requirements in the Guidelines for Auditing of Enterprise Internal Controls and the Practice Standards for Certified Public Accountants of China. The auditing expenses for the Group for 2023 were about RMB9.673 million in total and the auditors of the Company did not provide non-auditing services.

KPMG Huazhen LLP was proposed to be reappointed by the Company as the external auditor of the Company for 2024 to undertake audit and interim review work for 2024, and Pan-China Certified Public Accountants LLP was proposed to be appointed to undertake internal control audit work for 2024. Their terms of appointment will last until the conclusion of the 2024 AGM (subject to approval at the 2023 AGM). The Company has not changed its external auditors over the past three years.

## Corporate Governance Report

### Other Stakeholders

Other stakeholders of the Company include customers, partners, social environment and regulators, details of which are set out in the 2023 ESG Report of the Company.

### Internal Control

#### Risk Management

The Company has established a comprehensive risk management system with the principle of “Unified Leadership, Hierarchical Management”, including risk management strategy, organizational function system of risk management and risk executive information system. The Company identifies the risks and adopts qualitative and quantitative approaches to analyze and categorize the risks identified based on the possibility of occurrence and seriousness of impact of risks. Based on the result of risk analysis and the risk tolerance, the Company considers relevant risks and benefits and determines the focus points and major risks that require control, based on which it formulates risk control strategies. Please refer to the “Risk Management Report” for details of risk management.

#### Structure of the internal control system

Based on the principle of “unified theory and methods, multi-layer establishment and divided responsibilities”, the “Basic Standards of Internal Control for Enterprises” 《企業內部控制基本規範》 and its guidelines and taking into account of the business characteristics of the Company, the Company established the standards for internal control construction and management, and formed a collaborative system of internal control within the Company. The internal control system of the Company is designed to manage rather than completely eliminate the risk of failure to achieve its business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is the decision maker for internal control and is responsible for the establishment and effective implementation of sound and effective internal control. The Supervisory Committee is the supervision body for internal control, and is responsible for supervising the Board in establishment and implementation of internal control. The management is the executive body in charge of internal control and is responsible for organizing and being in charge of the daily operation of internal control.

The Company formulated and the Board of the Company approved the Internal Control Manual of CGN Power Co., Ltd. (2017, First Edition). The manual standardizes the relevant management systems and procedures of various businesses and functions of the Company, breaks down and specifies the internal control responsibilities, reasonably guarantees legal and compliant operation and management and ensures the authenticity of financial reports.

|                                      |  |
|--------------------------------------|--|
| <b>Key Elements of Initiatives</b>   |  |
| <b>Internal Control</b>              | Initiatives  |
| <b>Internal Environment</b>          | <p>The corporate governance structure specifies the management authority at various levels</p> <p>Internal organizations and posts clearly define the allocation of responsibilities and powers</p> <p>The internal supervision system</p> <p>Corporate strategies</p> <p>Integrity and moral values and corporate culture</p> <p>Competency of staff</p>  |
| <b>Risk Assessment</b>               | Timely identifying and systematically analyzing risks associated with the realization of internal control objectives in the process of operation activities and reasonably determines strategies in response to risks  |
| <b>Control Activities</b>            | <p>Taking corresponding control measures and formulating internal rules, systems and procedures based on the risk assessment results to ensure the implementation of control measures</p> <p>Covering major business areas such as funding activities, procurement, sales, engineering projects management, guarantee, R&amp;D, business outsourcing, asset management and financial reporting</p> <p>Formulating control measures from the perspectives of, among others, separation of incompatible duties, authority approval, accounting system control, property protection, budgets, operation analyses and evaluation</p> |
| <b>Information and Communication</b> | Collecting and transmitting information related to internal control in a timely and accurate manner to ensure that the information is effectively transmitted within the Company, and between the companies and external parties   |
| <b>Internal Supervision</b>          | <p>Regularly evaluating the implementation of systems and procedures</p> <p>Independent internal monitoring and auditing activities</p> <p>Self-assessment of internal control system on a regular basis</p>   |

## Corporate Governance Report

### Internal control evaluation

According to the relevant provisions of the Corporate Governance Code of the Company, we have prepared the Internal Control Assessment Proposal for 2023 of the Company (the “**Internal Control Assessment Proposal**”), which clearly provides the evaluation covers the full 2023 financial year, and determines the major units, businesses and matters to be included in the scope of evaluation as well as high-risk areas based on the risk-oriented principle. The Internal Control Assessment Proposal was approved by the Audit and Risk Management Committee of the Board in August 2023.

The Board shall be responsible for the internal control system of the Group, and has obtained confirmation from the management of the Company on the effectiveness of the risk management and internal control systems of the Company and completed the review on the effectiveness of the operation of internal control system of the Group in 2023. In accordance with the approved Internal Control Assessment Proposal, entities included in the scope of the current internal control evaluation mainly comprised the Company and 35 major subsidiaries, which covered all business segments and major business areas of the Company; as at December 31, 2023, the aggregate net assets and operating revenue of the aforesaid companies represented approximately 100% and 100% of the net assets and operating revenue of the Group, respectively. Each of those entities which are included in the relevant evaluation shall, based on its own business characteristics and key points of management, follow the principles of comprehensiveness and importance to incorporate key business areas and major business processes into the scope of evaluation. Overall, high-risk areas that need to be focused on mainly include, among others, safety, quality and environmental management, construction projects, procurement business, and contract management. The aforesaid businesses and matters included in the scope of evaluation together with high-risk areas cover the major aspects of the Company’s operational management and there is no material omission.

Based on the determination of material defects in the internal control on the Company’s financial reporting, as at the benchmark date (December 31, 2023) of the internal control evaluation report, there were no material defects in the internal controls on the financial reporting of the Company, and the Board considers that the Company has maintained effective and adequate internal control on financial reporting in all material aspects in compliance with the requirements of the Regulated System of Internal Control for Enterprises 《企業內部控制規範體系》 and the relevant provisions.

Based on the determination of material defects in the internal control on the Company’s non-financial reporting, as at the benchmark date (December 31, 2023) of the internal control evaluation report, the Company was not aware of any material defect in the internal control on non-financial reporting. From the benchmark date of the internal control evaluation report up to the issue date of the internal control evaluation report, there were no factors which would affect the evaluation conclusion of effectiveness and adequacy of internal controls.

## Monitoring inside information

The measures for the management and control of inside information by the Company

Specifying in the Staff Manual that unauthorized use of confidential or inside information is strictly prohibited.

Regulating the channels of disseminating information.

Formulating the information disclosure management system and its ancillary procedures in order to regulate the management requirements and handling procedures of inside information, and reviewing the implementation of these procedures every year.

Providing relevant trainings on information disclosure to the Company's management and staff of the subsidiaries and major affiliated companies on a sustained basis every year.

Publishing special issues of case studies on typical capital market violations in respect of information disclosure and securities trading on a regular basis, so as to strengthen warnings on information disclosure and insider trading violations.

In 2023, we continued to carry out trainings on information disclosure through various ways such as face-to-face training, video communication and online examinations and learning, covering over 90% of the staff. In April 2023, we published special issues of case studies on capital market violations and punishment in respect of securities trading, which were further distributed to the controlling shareholder. In 2023, we also conducted random inspection on the implementation of relevant systems and procedures of information disclosure and found no violation of the systems and procedures.

## Conclusion

The Company is committed to improving its corporate governance. We believe that good corporate governance lays a solid foundation for the continuous development of the Company, and is critical to creating value for our shareholders. The Company will further reinforce the good practices in corporate governance, continuously monitor the changes in relevant regulatory requirements, actively receive the opinions and recommendations from the investors and constantly optimize the corporate governance system, thereby providing powerful support to the long-term and sustainable development of the Company.