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CGN Power Co., Ltd.*
中國廣核電力股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1816)

SUPPLEMENTAL ANNOUNCEMENT
ADDITIONAL INFORMATION TO THE 2019 ANNUAL REPORT AND
UPDATE ON THE USE OF PROCEEDS

References are made to the 2018 annual report (the “**2018 Annual Report**”) of CGN Power Co., Ltd.* (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) published on April 8, 2019 and the section headed “Finance, Assets and Investment - USE OF PROCEEDS” in the 2019 annual report (the “**2019 Annual Report**”) published on April 2, 2020, the announcement in relation to the summary of principal provisions of the preliminary A share prospectus dated July 31, 2019, the overseas regulatory announcement in relation to the Announcement of CGN Power Co., Ltd. on the Replacement of Self-financing Funds Committed in Advance to with the Proceeds Raised (《中國廣核電力股份有限公司關於使用募集資金置換預先投入募投項目自籌資金的公告》) dated September 12, 2019 (the “**Announcement**”), the circular of 2019 annual general meeting (the “**2019 Annual General Meeting**”) published on April 2, 2020, and the poll results announcement of the 2019 Annual General Meeting dated May 20, 2020. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the 2018 Annual Report and the 2019 Annual Report respectively.

In addition to the information disclosed in the 2019 Annual Report, the board of directors of the Company (the “**Board**”) hereby provides the following supplemental information and updates on the use of the net proceeds from the H share and A share offerings.

Use of proceeds from the H share offering

The Company issued 10,148,750,000 H shares by way of global offering in December 2014 with net proceeds of approximately RMB21,603.5 million (in equivalent) from the offering after deducting various issuance costs. As of December 31, 2018, all the remaining unused net proceeds of approximately RMB1,071.826 million represented the amount to be used for R&D activities and overseas market exploration as specified in the prospectus of the Company dated November 27, 2014 (the “**Prospectus**”). As of December 31, 2019, the Company had use RMB20,636.8 million of the net proceeds for the purposes as set out in the Prospectus. In 2019, the Company used approximately RMB105.087 million of the proceeds for R&D activities to improve the R&D capabilities in small reactor technology, while all the remaining unused net proceeds of approximately RMB966.739 million represented the amount to be used for overseas market exploration as specified in the Prospectus, details of which are as follows:

Unit: RMB million

| Items | Cumulative changing amount ended December 31 | |
|--|---|-----------------------|
| | 2018 | 2019 |
| Net proceeds from the listing | 21,603.535 | 21,603.535 |
| Less: Proceeds used | 20,531.709 | 20,636.796 |
| Among which: Acquisition of 60% equity interest in Taishan Nuclear Power Industry Investment Co., Ltd (台山核電產業投資有限公司) and 12.5% equity interest in Taishan Nuclear | 9,700.196 | 9,700.196 |
| Capital expenditure for nuclear plants in progress | 8,714.300 | 8,714.300 |
| Research and development activities | 783.813 | 888.900 |
| Replenishment of working capital | 1,333.400 | 1,333.400 |
| Proceeds unused | <u>1,071.826</u> | <u>966.739</u> |

In view of the recent international development trend of nuclear power, the Company has neither determined any specific targets for overseas market exploration, nor commenced any overseas projects, and does not expect to have any overseas investment projects in the next few years. As a result, the proceeds specified to be used for overseas market exploration in the Prospectus have not been utilized. Given the orderly progression of the Company's construction of nuclear power projects under construction, in order to increase the efficiency of use of proceeds and reduce capital deposition, on May 20, 2020, the Company, as approved by the 2019 Annual General Meeting, has changed the use of the remaining unused proceeds. Accordingly, approximately RMB966.739 million of the unused proceeds to be used for overseas market exploration as specified in the Prospectus will instead be entirely utilized for the construction of Fangchenggang Units 3 and 4, and the interests and exchange income thereby generated will also be used for the construction of Fangchenggang Units 3 and 4. As of June 30, 2020, the remaining unused net proceeds and the interests and exchange income thereby generated amounted to approximately RMB1,155.5 million. The Company will utilize the total unused proceeds in accordance with the use of proceeds approved by the 2019 Annual General Meeting by the end of 2020.

For details of the change of use of proceeds, please refer to the circular of 2019 Annual General Meeting published on April 2, 2020 and the poll results announcement of the 2019 Annual General Meeting dated May 20, 2020.

Use of proceeds from the A share offering

The Company issued 5,049,861,100 RMB ordinary shares (A shares) on the Shenzhen Stock Exchange in August 2019 through the initial public offering with net proceeds of RMB12,389.8 million after deducting various issuance costs. On September 12, 2019, the Resolution on Approving the Replacement of Self-financing Funds Committed in Advance to Investment Projects with the Proceeds of the Company (《關於批准公司以募集資金置換預先已投入募投項目自籌資金的議案》) was considered and approved at the tenth extraordinary meeting of the second session of the Board, approving the replacement of the self-financing funds committed in advance to investment projects with part of the proceeds from the Company's A share public offering at RMB10,727.3 million (the "**Resolution**"). As disclosed in the Announcement by the Company, the early investment financed by the proceeds did not practically change the use of proceeds, nor did it affect the normal implementation of the investment plans of the proceeds. Moreover, as the time of such replacement was less than 6 months since the collection time of the proceeds, the Resolution was in compliance with Listed Companies Regulatory Guidance No. 2 – Regulatory Requirements for the Management and Usage of Proceeds of Listed Companies (《上市公司監管指引第2號—上市公司募集資金管理和使用的監管要求》) of Shenzhen Stock Exchange, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and other relevant laws and regulations.

As of December 31, 2019, the Company had used all of the net proceeds, of which RMB10,727.3 million was used for replacement of self-financing funds committed in advance to investment projects (including RMB3,000.0 million for replacement of self-financing funds committed in advance for the construction of Yangjiang Units 5 and 6, and RMB7,727.3 million for replacement of self-financing funds committed in advance for the construction of Fangchenggang Units 3 and 4), RMB272.7 million was invested in the construction of Fangchenggang Units 3 and 4, and RMB1,389.8 million was used to replenish the Company's working capital. The use of proceeds in the Company's preliminary A share prospectus is as follows:

Unit: RMB million

| | Total investment commitment | Cumulative investment amount as of December 31, 2019 |
|--|--|---|
| Investment project financed by the proceeds | | |
| Construction of Yangjiang Units 5 and 6 | 3,000.0 | 3,000.0 |
| Construction of Fangchenggang Units 3 and 4 | 8,000.0 | 8,000.0 |
| Replenishment of working capital | 1,389.8 | 1,389.8 |
| Total | 12,389.8 | 12,389.8 |

The Company confirms that, save as supplemented above, all other contents in the 2018 Annual Report and the 2019 Annual Report are correct and remain unchanged. This announcement is supplemental to the annual reports and should be read in conjunction with other contents in the annual reports.

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

Jiang Dajin

*Vice President, Joint Company Secretary
and Board Secretary*

The PRC, July 22, 2020

As of the date of this announcement, the Board of the Company comprises Mr. Gao Ligang as executive director; Mr. Yang Changli, Mr. Shi Bing, Mr. Wang Wei and Mr. Zhang Yong as non-executive directors; Mr. Na Xizhi, Mr. Hu Yiguang and Mr. Francis Siu Wai Keung as independent non-executive directors.

** For identification purpose only*