
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CGN Power Co., Ltd.*, you should at once hand this circular together with the enclosed form of proxy and reply slip to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**PROPOSED ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS TO NON-SPECIFIC INVESTORS;
CONNECTED TRANSACTION IN RELATION TO POSSIBLE
SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE
BONDS BY CONNECTED PERSONS;
NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL
MEETING; AND
NOTICE OF THE 2024 SECOND H SHAREHOLDERS'
CLASS MEETING**

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**



A letter from the Board is set out on pages 5 to 32 of this circular.

The Company is scheduled to convene the extraordinary general meeting at 2:30 p.m. on Thursday, August 8, 2024 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC, and the H Shareholders' Class Meeting after the conclusion or adjournment of the EGM (whichever is the later), and the A Shareholders' Class Meeting immediately after the conclusion or adjournment of the H Shareholders' Class Meeting (whichever is the later). The notices of the EGM and the H Shareholders' Class Meeting are set out on pages EGM-1 to HCM-4 of this circular.

Whether or not you are able to attend and vote at the EGM and/or the H Shareholders' Class Meeting, you are requested to complete and return (i) the accompanying reply slip in accordance with the instructions printed thereon on or before Thursday, July 18, 2024 to the H Share Registrar; and (ii) the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the EGM and/or the H Shareholders' Class Meeting or any adjournment thereof (as the case may be) to the H Share Registrar. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the H Shareholders' Class Meeting or any adjournment should you so wish.

* For identification purpose only

July 5, 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	ordinary shares issued by the Company and denominated in RMB with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange
“A Share Convertible Corporate Bonds” or “Convertible Bonds”	the convertible corporate bonds with an amount of not exceeding RMB4.9 billion (RMB4.9 billion inclusive) that can be converted into new A Shares proposed to be issued by the Company in the PRC
“A Share Convertible Corporate Bondholder(s)” or “Bondholder(s)”	holder(s) of the A Share Convertible Corporate Bonds
“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders’ Class Meeting”	the 2024 second class meeting of A Shareholders of the Company to be held on Thursday, August 8, 2024
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“close associate(s)”	has/have the meaning ascribed thereto under the Listing Rules
“CGNPC”	China General Nuclear Power Corporation* (中國廣核集團有限公司), a state-owned enterprise established in the PRC on September 29, 1994 and the controlling shareholder and promoter of the Company, and thus a connected person of the Company, with 81% of its equity interest held by the SASAC, 10% by Guangdong Hengjian Investment Holdings Co., Ltd.* (廣東恒健投資控股有限公司) and 9% by National Council for Social Security Fund

DEFINITIONS

“Company”	CGN Power Co., Ltd.* (中國廣核電力股份有限公司), a joint stock company with limited liability established in the PRC on March 25, 2014, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1816), and the A Shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 003816)
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“connected person(s)”	has/have the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has/have the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	the price of new A Shares to be issued upon the conversion of the A Share Convertible Corporate Bonds, subject to adjustment from time to time
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“EGM”	the 2024 first extraordinary general meeting of the Company to be held at 2:30 p.m. on Thursday, August 8, 2024 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	the 2024 second class meeting of H Shareholders of the Company to be held on Thursday, August 8, 2024
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	a board committee comprising Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua, the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Possible Subscription
“Independent Financial Adviser”	TC Capital International Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and the independent financial adviser responsible for providing advice to the Independent Board Committee and the Independent Shareholders in respect of the Possible Subscription that constitutes a connected transaction
“Independent Shareholders”	any Shareholder(s) of the Company who is/are not required to abstain from voting at the EGM for the connected transactions as contemplated under the Issuance of Convertible Corporate Bonds
“Issuance of A Share Convertible Corporate Bonds” or “Issuance”	the proposal for issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB4.9 billion (RMB4.9 billion inclusive) of the Company
“Latest Practicable Date”	July 3, 2024, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Offering Document”	the Offering Document on Issuance of A Share Convertible Corporate Bonds to Non-specific Investors of CGN Power Co., Ltd.* (《中國廣核電力股份有限公司向不特定對象發行 A 股可轉換公司債券募集說明書》)
“Possible Subscription”	the possible exercise of the pre-emptive rights by CGNPC to subscribe for the A Share Convertible Corporate Bonds under the proposed Issuance of A Share Convertible Corporate Bonds

DEFINITIONS

“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China, as amended from time to time
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange in the PRC
“substantial shareholder(s)”	has/have the meaning ascribed thereto under the Listing Rules
“%”	per cent

The English names of the PRC entities in this circular are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail. For any inconsistency between the English and Chinese versions of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Gao Ligang

Non-executive Directors:

Mr. Yang Changli (*Chairman*)

Ms. Li Li

Mr. Pang Songtao

Mr. Feng Jian

Mr. Liu Huanbing

Independent non-executive Directors:

Mr. Wong Ming Fung

Mr. Li Fuyou

Ms. Xu Hua

Registered Office and

Headquarters in the PRC:

18/F, South Tower, CGN Building,
No. 2002 Shennan Road,
Shenzhen, Guangdong Province,
The PRC

**Principal Place of Business
in Hong Kong:**

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Dear Shareholders,

**PROPOSED ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS TO NON-SPECIFIC INVESTORS;
CONNECTED TRANSACTION IN RELATION TO POSSIBLE
SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE
BONDS BY CONNECTED PERSONS;
NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL
MEETING;**

AND

NOTICE OF THE 2024 SECOND AND H SHAREHOLDERS' CLASS MEETING

I. INTRODUCTION

The Company intends to hold the EGM, H Shareholders' Class Meeting and A Shareholders' Class Meeting at 2:30 p.m. on Thursday, August 8, 2024 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC. The notices to convene the EGM and the H Shareholders' Class Meeting are set out on pages EGM-1 to HCM-4 of this circular.

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Reference is made to the announcement of the Company dated June 21, 2024 in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors and connected transaction in relation to possible subscription for A Share Convertible Corporate Bonds by connected persons.

The purpose of this circular is to provide you with details of the EGM and H Shareholders' Class Meeting and the resolutions to be proposed for Shareholders to consider and approve as ordinary resolutions or special resolutions, as the case may be, at the EGM and H Shareholders' Class Meeting and provide all reasonably required information to enable you to make an informed decision on whether to vote for or against or abstain from voting at those resolutions. Such resolutions and details are set out in section III of this letter from the Board.

II. MATTERS TO BE RESOLVED AT THE EGM

Ordinary Resolutions

1. To consider and approve the resolution on satisfaction of the conditions of the Issuance of A Share Convertible Corporate Bonds to non-specific investors by the Company
2. To consider and approve the resolution on the feasibility analysis report on the use of proceeds from the Issuance of A Share Convertible Corporate Bonds to non-specific investors
3. To consider and approve the resolution on the report on the use of proceeds previously raised
4. To consider and approve the resolution on the remedial measures and undertakings by relevant parties in relation to dilutive impact on immediate returns of the Issuance of A Share Convertible Corporate Bonds to non-specific investors
5. To consider and approve the resolution on the rules of procedures of meeting of the bondholders of A Share Convertible Corporate Bonds of CGN Power Co., Ltd.

Special Resolutions

6. To consider and approve the resolution on the Issuance of A Share Convertible Corporate Bonds to non-specific investors (the following resolutions to be voted item by item)
 - 6.1 Type of securities to be issued;
 - 6.2 Size of the Issuance;
 - 6.3 Par value and issue price;
 - 6.4 Bonds term;

LETTER FROM THE BOARD

- 6.5 Coupon rate;
 - 6.6 Term and method of principal and interest payment;
 - 6.7 Guarantees;
 - 6.8 Conversion period;
 - 6.9 Determination and adjustment of the Conversion Price;
 - 6.10 Terms of downward adjustment to the Conversion Price;
 - 6.11 Method for determining the number of A Shares for conversion and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share;
 - 6.12 Terms of redemption;
 - 6.13 Terms of sale back;
 - 6.14 Entitlement to dividend in the year of conversion;
 - 6.15 Method of the Issuance and target subscribers;
 - 6.16 Subscription arrangement for the existing A Shareholders;
 - 6.17 Matters relating to the meetings of Bondholders;
 - 6.18 Use of proceeds;
 - 6.19 Management and deposit for proceeds raised;
 - 6.20 Rating; and
 - 6.21 Validity period of the Issuance plan
- 7. To consider and approve the resolution on the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors
 - 8. To consider and approve the resolution on the demonstration and analysis report regarding the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors

LETTER FROM THE BOARD

9. To consider and approve the resolution on authorization to the Board or its authorized persons granted by the general meeting of Shareholders to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors at its sole discretion
10. To consider and approve the resolution on the Possible Subscription of the Company's substantial shareholders for the preferential placement of the Issuance of A Share Convertible Corporate Bonds to non-specific investors

III. PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS AND CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

1. Proposed Issuance of A Share Convertible Corporate Bonds

Pursuant to the relevant requirements of the laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行註冊管理辦法》), the Board has conducted careful review of the qualifications and conditions of the Company's application for the Issuance of A Share Convertible Corporate Bonds to non-specific investors and believes that all the conditions of the Company meet the requirements of the current laws, regulations and regulatory documents in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors, and that it possesses the conditions for the Issuance of A Share Convertible Corporate Bonds to non-specific investors.

The Company intends to apply to the Shenzhen Stock Exchange for the Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount of not exceeding RMB4.9 billion (RMB4.9 billion inclusive). The proposed Issuance of A Share Convertible Corporate Bonds shall be subject to the approvals of the Shareholders at the EGM and the Class Meetings, the issuance and listing review of the Shenzhen Stock Exchange and the registration with the CSRC.

Details of the Issuance of A Share Convertible Corporate Bonds are as follows:

(1) Type of securities to be issued

The type of the securities to be issued is convertible corporate bonds which can be converted into A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted will be listed on the main board of the Shenzhen Stock Exchange.

LETTER FROM THE BOARD

(2) Size of the Issuance

According to the requirements of relevant laws, regulations and regulatory documents and based on the financial position and investment plan of the Company, the total amount of proceeds raised from the proposed Issuance of A Share Convertible Corporate Bonds will not exceed RMB4.9 billion (RMB4.9 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board or its authorized persons as authorized by the EGM and Class Meetings within the above range.

(3) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(4) Bonds term

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

(5) Coupon rate

The method for determination of coupon rate of the A Share Convertible Corporate Bonds under the Issuance and the final interest rate for the interest accrual year shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance.

(6) Term and method of principal and interest payment

The interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal of the outstanding A Share Convertible Corporate Bonds shall be repaid together with the interest accrued for the previous year.

A. Calculation of annual interest

Interest accrued for interest accrual year (the “Annual Interest”) refers to the interest accrued to an A Share Convertible Corporate Bondholder in each year on each anniversary of the date of the Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by the holder.

The formula for calculating the Annual Interest is as follows:

$$I = B \times i$$

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In which, I : denotes the amount of the Annual Interest;

B: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds under the Issuance held by an A Share Convertible Corporate Bondholder as at the record date for interest payment in that interest accrual year (“that year” or “each year”); and

i: denotes the coupon rate of the A Share Convertible Corporate Bonds under the Issuance of that year.

B. Method of interest payment

- 1) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis, accruing from the date of the Issuance of A Share Convertible Corporate Bonds.
- 2) Interest payment date: the interest payment date is each anniversary date of the date of the Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first business day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date shall be an interest accrual year. Matters in relation to interest and the ownership of share dividends in the year of conversion shall be determined by the Board according to relevant laws, regulations and provisions of the Shenzhen Stock Exchange.
- 3) Record date for interest payment: the record date for interest payment in each year shall be the last trading day preceding the interest payment date. The Company shall pay the interest accrued in that year within five trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest accrual years to the Bondholders who have applied to convert their A Share Convertible Corporate Bonds into A Shares on or before the record date for interest payment.
- 4) Tax payable on the interest income of A Share Convertible Corporate Bondholders under the Issuance shall be borne by such Bondholder.

(7) Guarantees

No guarantee is provided for the Issuance of A Share Convertible Corporate Bonds.

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(8) Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

(9) Determination and adjustment of the Conversion Price

A. Basis for determining the initial Conversion Price

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares on the immediately preceding trading day and shall not be lower than the latest audited net asset value per Share and par value of the Shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions and the actual conditions of the Company prior to the Issuance.

The average trading price of A Shares for the immediately preceding 20 trading days = total trading amount of A Shares for the immediately preceding 20 trading days/total trading volume of A Shares for such 20 trading days.

The average trading price of A Shares for the immediately preceding trading day = total trading amount of A Shares for the immediately preceding trading day/total trading volume of A Shares for such trading day.

B. Method of adjustments and calculation formula to the Conversion Price

The Conversion Price will be adjusted according to the following formula (rounded off to two decimal places) upon the Issuance in case of changes in the Shares due to certain events, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends:

Distribution of bonus share or conversion or increase of share capital: $P_1 = P_0 / (1+n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k) / (1+k)$;

The above two events occurring concurrently: $P_1 = (P_0 + A \times k) / (1+n+k)$;

LETTER FROM THE BOARD

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occurring concurrently: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$

In which, P_1 : denotes the adjusted Conversion Price;

P_0 : denotes the Conversion Price before adjustment;

n : denotes the rate of distribution of bonus share or conversion or increase of share capital;

A : denotes the price of issuance of new shares or rights issue;

k : denotes the rate of issuance of new shares or rights issue; and

D : denotes the cash dividend per Share.

Upon occurrence of any of the abovementioned changes in the Shares and/or Shareholder's interests, the Company shall adjust the Conversion Price based on order of occurrence, and publish an announcement in relation to the adjustment of the Conversion Price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). If the Conversion Price adjustment date is on or after the date on which an A Share Convertible Corporate Bondholder applies for the conversion but before the registration date of the A Shares to be issued upon conversion, such conversion shall be executed based on the Conversion Price adjusted by the Company.

In the event that the creditor's interests or the interests derived from share conversion of the A Share Convertible Corporate Bondholders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the Conversion Price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the A Share Convertible Corporate Bondholders. The details of adjustment to the Conversion Price and its implementation measures shall be determined in accordance with relevant prevailing PRC laws, regulations and the relevant requirements of the securities regulatory authorities.

LETTER FROM THE BOARD

(10) Terms of downward adjustment to the Conversion Price

A. Authorization and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the general meeting and the class meetings for consideration and approval.

The abovementioned proposal is subject to the approval of more than two-thirds of Shareholders with voting rights who attend the general meeting and the class meetings respectively. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such general meeting and the class meetings. The adjusted Conversion Price shall be no less than the higher of the average trading price of A Shares for 20 trading days immediately preceding the date of such a general meeting and class meetings and the average trading price of A Shares on the trading day immediately preceding the date of such a general meeting and class meetings. In addition, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value of the Share.

In the event of an adjustment to the Conversion Price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

B. Procedures of adjustment

In the event that the Company decides to adjust the Conversion Price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall disclose information including the magnitude of the adjustment, the registration date of shares, the suspension period of share conversion, if necessary, and other relevant information. Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). Application for conversion at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be executed based on the adjusted Conversion Price.

LETTER FROM THE BOARD

(11) Method for determining the number of A Shares for conversion and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share

Where an A Share Convertible Corporate Bondholder applies for the conversion during the conversion period under the Issuance, the formula for calculating the number of A Shares to be issued upon conversion is as below: $Q = V/P$

In which, Q: denotes the number of A Shares to be converted with any fractional A Share to be rounded down to the nearest whole number;

V: denotes the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which the A Share Convertible Corporate Bondholder applies for conversion; and

P: denotes the prevailing Conversion Price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the A Share Convertible Corporate Bondholder applies for the conversion. Where the remaining balance of the A Share Convertible Corporate Bonds is insufficient to be converted into one A Share, within five trading days from the date of conversion by the A Share Convertible Corporate Bondholders, the Company shall pay the Bondholders in cash an amount equal to the par value of such A Share Convertible Corporate Bonds and the accrued interest thereof for current period in accordance with the relevant requirements of the Shenzhen Stock Exchange, the securities registration authority and other authorities.

(12) Terms of redemption

A. Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds under the Issuance, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. The specific redemption price shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions upon the Issuance.

B. Terms of conditional redemption

During the conversion period of the A Share Convertible Corporate Bonds under the Issuance, in the event of any of the following two circumstances, the Board or its authorized persons as authorized by the EGM and the Class Meetings shall have the right to redeem the whole or part of the outstanding A Share Convertible Corporate Bonds, at a price equal to the nominal value of the Convertible Bonds plus the then accrued interest:

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- 1) The closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing Conversion Price; or
- 2) The balance of the outstanding A Share Convertible Corporate Bonds under the Issuance is lower than RMB30 million.

Formula for calculating the accrued interest for the current period is: $I_A = B \times i \times t / 365$

In which, I_A : denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds held by Bondholders under the Issuance;

i: denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year; and

t: denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

The redemption period of the Convertible Bonds is the same as the conversion period, i.e. from the first trading day upon the expiry of six months from the completion of the Issuance to the maturity date of the Convertible Corporate Bonds.

In the event that an adjustment to the Conversion Price is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

(13) Terms of sale back

A. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing Conversion Price, the A Share Convertible Corporate Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest. For the calculation of interest accrued for the current period, please refer to the paragraph headed “12. Terms of redemption”.

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In the event that an adjustment to the Conversion Price is made due to distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue, distribution of cash dividends during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the Conversion Price, the aforesaid “30 consecutive trading days” shall be re-counted from the first trading day following the adjustment to the Conversion Price.

The A Share Convertible Corporate Bondholders may exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. Where the sale back conditions are initially satisfied and the A Share Convertible Corporate Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, no sale back rights may be exercised during such interest accrual years. The A Share Convertible Corporate Bondholders are not allowed to exercise part of their sale back rights for multiple times.

B. Additional terms of sale back

Where the actual use of the proceeds raised from A Share Convertible Corporate Bonds under the Issuance significantly differs from the undertakings of the use of proceeds set out by the Company in the Offering Document, and such difference is considered by the CSRC and the Shenzhen Stock Exchange as a change in the use of proceeds, the A Share Convertible Corporate Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus the then accrued interest. Subject to additional condition of sale back, the Bondholders may sell their Convertible Bonds back to the Company during the additional sale back declaration period as announced by the Company. If the Bondholders do not exercise their sale back rights during such period, no such right may be exercised. For the calculation of interest accrued for the current period, please refer to the paragraph headed “12. Terms of redemption”.

(14) Entitlement to dividend in the year of conversion

The new A Shares to be issued upon the conversion of A Share Convertible Corporate Bonds under the Issuance shall rank *pari passu* with all the existing A Shares, and all existing A Shareholders (including those who become Shareholders by virtue of the conversion of the A Share Convertible Corporate Bonds) whose names are recorded on the register of members of the Company on the record date for dividend distribution shall be entitled to receive the dividend of that period and enjoy equal rights and interests.

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(15) Method of the Issuance and target subscribers

The specific method of the Issuance of A Share Convertible Corporate Bonds shall be determined by the Board or its authorized as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance.

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch (excluding those prohibited by the PRC laws and regulations).

(16) Subscription arrangement for the existing A Shareholders

The existing A Shareholders are entitled to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders shall be entitled to surrender such pre-emptive rights. The proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsors (the lead underwriter) based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds. The right to subscribe in priority is subject to the Company Law, the Listing Rules and all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related-party transactions).

The remaining A Share Convertible Corporate Bonds which are not subject to the abovementioned pre-emptive rights of the existing A Shareholders and are not subscribed by the existing A Shareholders will be offered to institutional investors offline and/or issued by way of online pricing through the trading system of the Shenzhen Stock Exchange. Specific issuance method shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance. If there is still under-subscription, the shortfall shall be underwritten by the lead underwriters.

(17) Matters relating to the meetings of Bondholders

A. Rights of Bondholders:

- 1) to receive the agreed interest based on the number of the Convertible Bonds held;
- 2) to convert the Convertible Bonds held by the Bondholders into A Shares under the conditions stipulated in the Offering Document;
- 3) to exercise the right of sale back under the conditions stipulated in the Offering Document;

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- 4) to transfer, grant or pledge the Convertible Bonds held by the Bondholders in accordance with the provisions of laws, administrative regulations and the Articles of Association;
- 5) to obtain relevant information in accordance with the provisions of laws and the Articles of Association;
- 6) to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and in the agreed manner as stipulated in the Offering Document;
- 7) to attend the meetings of the Bondholders, either in person or by proxy, and vote at the meetings in accordance with relevant stipulations under laws and administrative regulations, etc.; and
- 8) other rights as creditors of the Company ascribed by laws, administrative regulations and the Articles of Association.

B. Obligations of Bondholders:

- 1) to comply with the relevant provisions of the terms of the Convertible Bonds under the Issuance by the Company;
- 2) to pay the subscription amount based on the amount of Convertible Bonds subscribed by them;
- 3) to abide by the effective resolutions passed at the meeting of the Bondholders;
- 4) not to request the Company to repay the principal and interest of the Convertible Bonds in advance, except as required by laws, regulations or as agreed in the Offering Document; and
- 5) to bear other obligations that shall be borne by the A Share Convertible Corporate Bondholders as required by laws, administrative regulations and the Articles of Association.

C. Convening of the meetings of the Bondholders

During the term of the Convertible Bonds, a meeting of the Bondholder shall be convened upon the occurrence of any of the followings:

- 1) proposed amendments on the material terms as set out in the Offering Document;
 - a) change of basic arrangements for bond repayment (including the reimbursement subject, term, adjustment mechanism for coupon rate);

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- b) changes of credit enhancement or other debt repayment protection measures and implementation arrangements thereof (if any);
 - c) changes of bond investor protection measures and implementation arrangements thereof;
 - d) change of the use of proceeds as set out in the Offering Document; and
 - e) other significant changes in the arrangements for repayment of the principal and interest of the bonds and matters closely related to solvency.
- 2) proposed amendments on the rules of procedures of meeting of the Bondholders;
- 3) proposed dismissal, change of the trustee or change of the main terms of the bond entrusted management agreement (including but not limited to the scope of authorization of entrusted management, the prevention and resolution mechanism of conflict of interests and the liability for breach of contract closely related to the rights and interests of Bondholders, etc.);
- 4) to determine or authorize to take corresponding measures (including but not limited to negotiation with the Company and other related parties, initiation of, or involving in, arbitration or litigation proceedings, or other measures in favor of the protection of rights and interests of investors, etc.) under the following circumstances:
- a) the Company is unable or is expected to be unable to pay the principal and interests of Convertible Bonds when due;
 - b) the Company is unable or is expected to be unable to pay other interest-bearing liabilities other than the Convertible Bonds when due with the outstanding amount exceeds RMB50 million and exceeds 10% of the latest audited net assets of the parent company of the Company, which may lead to default of the Convertible Bonds;
 - c) the Company undertakes a capital reduction (other than reduction of capital resulting from share repurchase for share incentive, fulfillment of performance compensation commitments, share repurchase necessary to safeguard the Company's value and shareholders' equity, or cancellation of restricted shares), merger, division, is ordered to suspend its operation, the license of which is suspended or revoked, is placed under entrustment, is dissolved, applies for bankruptcy or enters bankruptcy proceedings in accordance with the law;
 - d) the solvency of the Company is severely uncertain due to the failure of the management of the Company to fulfill its responsibilities and duties;

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- e) the solvency of the Company is severely uncertain due to the transfer of assets or the waiver of creditor's rights or the provision of large-amount guarantees by the Company or its controlling shareholder or de facto controller at nil consideration or apparently unreasonable consideration;
 - f) material adverse changes in credit enhancement entities, credit enhancement measures or other debt repayment safeguard measures (if any); or
 - g) other matters which may significantly and materially affect the interests of the Bondholders.
- 5) proposed major debt restructuring plan by the Company; and
- 6) other circumstances as stipulated in laws, administrative regulations, departmental rules, regulatory documents or in the Offering Document or the rules, where a resolution shall be made at the meeting of the Bondholders.

The following institutions or persons may propose in writing to convene a meeting of Bondholders:

The Board or the Bondholders individually or jointly holding 10% or more of the total par value of the outstanding Convertible Bonds.

(18) Use of proceeds

The total amount of proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.9 billion (including RMB4.9 billion). The net proceeds after deducting issuance expenses are intended to be used for the following purposes:

Unit: RMB0'000

Names of investment projects	Total project investment	Proceeds to be invested
Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project	4,086,538	490,000
Total	4,086,538	490,000

Before receiving the proceeds from the Issuance of A Share Convertible Corporate Bonds, the Company will invest in the investment projects by internal funds based on the operating conditions and development plans. The funds will be replaced by the proceeds upon receipt. If the actual net proceeds from the Issuance are less than the total amount of proceeds to be

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invested in the investment projects mentioned above, the Board may make appropriate adjustments to the order and amount of investment of the proceeds within the scope of the above investment projects based on the actual needs of the investment projects. The shortfall will be funded by the Company.

(19) Management and deposit for proceeds raised

The Company has formulated the Administrative Measures on the Proceeds of CGN Power Co., Ltd.*. The proceeds from the Issuance of A Share Convertible Corporate Bonds will be deposited in a specific account approved by the Board. The account opening particulars will be determined by the Board or its authorized persons prior to the Issuance. The details of such specific account for proceeds will be disclosed in the announcement(s) in relation to the Issuance.

(20) Rating

A credit rating agency with relevant qualifications will issue a credit rating report for the Issuance of A Share Convertible Corporate Bonds by the Company.

(21) Validity period of the Issuance plan

The validity period of the plan for the Issuance of A Share Convertible Corporate Bonds by the Company to non-specific investors shall be 12 months, with effect from the date on which the Issuance plan is considered and approved at the EGM and the Class Meetings.

2. Connected Transaction in Relation to Possible Subscription for A Share Convertible Corporate Bonds by Connected Persons

According to the subscription arrangement for the existing A Shareholders of the plan for the Issuance of A Share Convertible Corporate Bonds as set out in the paragraph headed “16. Subscription arrangement for the existing A Shareholders” in this circular, preferential placement of the A Share Convertible Corporate Bonds issued by the Company will be granted to the existing A Shareholders. The existing A Shareholders are entitled to surrender such rights. The specific amount of preferential placement to be granted to the existing A Shareholders shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds. The preferential placement is subject to the Company Law, the Listing Rules and all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related party transactions).

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As at the Latest Practicable Date, CGNPC holds 560,235,000 H Shares and 29,176,641,375 A Shares. CGNPC shall have the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds and the right to surrender such rights. CGNPC may subscribe for A Share Convertible Corporate Bonds with a maximum subscription amount of approximately RMB3,634,564,500.

The terms and conditions of Possible Subscription for A Share Convertible Corporate Bonds by CGNPC are the same as those of subscription for A Share Convertible Corporate Bonds by other existing A Shareholders.

As at the Latest Practicable Date, CGNPC has not indicated interest in subscribing for the A Share Convertible Corporate Bonds.

Assuming that 100% of the A Share Convertible Corporate Bonds under the Issuance is firstly placed to the existing A Shareholders, and CGNPC exercises the pre-emptive rights in full, based on the proportion of A Shares held by CGNPC as at the Latest Practicable Date and the maximum amount of the Convertible Bonds of RMB4.9 billion to be issued by the Company, the maximum amount to be subscribed by CGNPC shall be as follows:

Connected Shareholder	Number of A Shares held (share)	Percentage of number of A Shares held to the total number of issued A Shares (%)	Maximum subscription amount under the Possible Subscription for A Share Convertible Corporate Bonds (RMB0'000)
CGNPC	29,176,641,375	74.17	363,456.45

3. Authorization to be granted to the Board or its authorized persons

Subject to approvals of the Shareholders at the EGM and the Class Meetings, the Board or its authorized persons will be fully authorized to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds at its discretion, including but not limited to determining the specific provisions and plans of the Issuance, engaging relevant intermediaries, preparing, amending and submitting relevant application materials in accordance with the requirements of regulatory authorities, executing necessary documents, amending the Articles of Association, implementing necessary procedures and taking other necessary actions.

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4. Reasons for and Benefits of the Proposed Issuance of A Share Convertible Corporate Bonds and the Possible Subscription

Nuclear energy has become an important energy source for mankind and a mature clean energy to substitute fossil fuel for large-scale commercial use at present. The 20th National Congress of the Communist Party of the PRC held in October 2022 outlined the strategic plan for the active, safe and orderly development of nuclear power. As of now, nuclear power energy accounts for a relatively small share of the national energy structure, and there is still significant potential for development. The proceeds raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors, after deducting issuance expenses, are intended to be used for Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project, which adopted the third-generation nuclear power and large-scale advanced pressurized water reactor technology. Implementation of this investment project is in compliance with the national key strategic directions in respect of energy safety, carbon peaking and carbon neutrality, and is in line with the industry policy of national energy development.

The investment project has strong profitability and good development prospects. The proceeds raised will deliver great economic benefits to the Company by helping optimize its financial structure, meeting its business expansion needs, further expanding its operating scale and comprehensive strength, improving the operating efficiency and core competitiveness, which will lay a solid foundation for the healthy and rapid development in the future, and thus are in the interests of the Company and Shareholders as a whole. The Possible Subscription facilitates the smooth implementation of the Issuance and the decision-making on the long-term strategies of the Company.

In addition, the Board has considered various fund-raising alternatives apart from the Issuance of A Share Convertible Corporate Bonds, including debt financing and equity financing. In respect of debt financing or bank borrowings from commercial banks, the Board is of the view that it may not be the most practicable financing plan for the Company to meet its funding needs, as bank borrowings may involve prolonged negotiations with banks and may incur higher interest expenses compared with the coupon rate of A Share Convertible Corporate Bonds, which will adversely affect the Company's profitability. In respect of equity financing, the Board considers that (i) rights issue or open offer is time-consuming for the Company with its A Shares listed on the Shenzhen Stock Exchange and H Shares listed on the Stock Exchange; and (ii) the issuance of new shares will have immediate dilution effect on the shareholding of the existing Shareholders in a relatively short period of time. Conversely, the issuance of the A Share Convertible Corporate Bonds will not have an immediate dilutive effect on the shareholding of the existing Shareholders upon completion of the Issuance. The Board believes that the Issuance of the A Share Convertible Corporate Bonds (including the Possible Subscription) is in the interests of the Company and the Shareholders as a whole.

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5. Impact of the Proposed Issuance of A Share Convertible Corporate Bonds on the Shareholding Structure of the Company

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares on the immediately preceding trading day, and shall not be lower than the latest audited net asset value per Share and par value of the Shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance based on the market conditions and actual conditions of the Company.

The shareholding structures of the Company as at the Latest Practicable Date and after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares (assuming that (i) the Company issues A Share Convertible Corporate Bonds with a maximum issuance amount of RMB4.9 billion; (ii) all existing A Shareholders subscribe for A Share Convertible Corporate Bonds in full in proportion to their current shareholdings in A Shares; (iii) all A Share Convertible Corporate Bonds are fully converted into A Shares at the initial Conversion Price of RMB4.76 per Share, which shall be calculated based on the higher of the average trading price of A Shares for the 20 trading days immediately preceding the Latest Practicable Date and the average trading price of A Shares on the immediately preceding trading day; and (iv) the Company does not issue and allot any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares) are as follows:

Name/class of Shareholders	Number of Shares	Approximate percentage of the number of issued A Shares as at the Latest Practicable Date	Approximate percentage of the number of issued Shares	Immediately after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares		
				Number of Shares	Approximate percentage of the number of issued A Shares	Approximate percentage of the number of issued Shares
CGNPC	29,176,641,375(A)	74.17%	57.78%	29,940,205,338(A)	74.17%	58.10%
	560,235,000(H)	-	1.11%	560,235,000(H)	-	1.09%

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Immediately after completion of the proposed
Issuance of A Share Convertible Corporate Bonds
and conversion of all the A Share Convertible
Corporate Bonds into A Shares

Name/class of Shareholders	Number of Shares	Approximate percentage of the number of issued A Shares as at the Latest Practicable Date	Approximate percentage of the number of issued Shares	Immediately after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares		
				Number of Shares	Approximate percentage of the number of issued A Shares	Approximate percentage of the number of issued Shares
Other A Shareholders	10,158,344,725(A)	25.83%	20.12%	10,424,192,526(A)	25.83%	20.23%
Other H Shareholders	10,603,390,000(H)	-	21.00%	10,603,390,000(H)	-	20.58%

Notes: (1) Percentages may not add up to 100% due to rounding.

(2) “A” denotes A Shares and “H” denotes H Shares.

Upon the Issuance of A Share Convertible Corporate Bonds, the Conversion Price shall be adjusted in accordance with details as set out in the paragraph headed “9. Determination and Adjustment of the Conversion Price” of this circular under certain circumstances, such as distribution of share dividends, conversion or increase of share capital, issuance of new shares or rights issue or distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds) by the Company.

6. Listing Rules Implications

As at the Latest Practicable Date, CGNPC is the controlling shareholder of the Company holding approximately 58.89% of the issued share capital of the Company, and is therefore a connected person of the Company. Accordingly, the subscription of the A Share Convertible Corporate Bonds by CGNPC will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and Independent Shareholders’ approval requirements under the Listing Rules.

In respect of the resolution to consider the Possible Subscription, as CGNPC holds 29,736,876,375 issued Shares of the Company representing approximately 58.89% of the issued share capital of the Company, as at the Latest Practicable Date, it is required to abstain from voting at the EGM.

The Directors, Mr. Yang Changli, Mr. Gao Ligang, Ms. Li Li, and Mr. Pang Songtao, are required to and have abstained from voting in respect of the resolution to consider the Possible Subscription at the Board meeting. The resolution on the Possible Subscription has been

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considered and approved by the Board. Save for the above, no other Directors are or deemed to be materially interested in the above resolution. In addition, none of the Directors have abstained or are required to abstain from voting on other resolutions considered at the Board meeting.

The Independent Board Committee has been formed by the Company to give recommendations to the Independent Shareholders on the Possible Subscription and the transactions contemplated thereunder. The Independent Financial Adviser has also been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the following matters: (i) whether or not the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether or not the Possible Subscription is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

The independent non-executive Directors are of the view that based on the abovementioned arrangement, the controlling shareholder of the Company is subject to the same price and terms as those of other A Shareholder subscribers in their participation in the subscriptions for the A Share Convertible Corporate Bonds to be issued under the Issuance by the Company in cash within the scope of preferential placement. They will not receive any preferential treatment, and the interests of the Company and other Shareholders will not be prejudiced.

All existing A Shareholders whose name appear on the register of members of A Shareholders on the registration date for the preferential placement to the A Shareholder shall have the pre-emptive right to subscribe for the A Share Convertible Corporate Bonds. No Shareholder shall enjoy any privilege by virtue of being a connected person of the Company.

The Board expects that the Company will maintain sufficient public float in compliance with the applicable minimum requirement under the Listing Rules.

7. General

Information about the Group

The Group mainly constructs, operates and manages nuclear power stations, sells electricity generated by these stations, and organizes and launches the design of and scientific research projects for nuclear power stations.

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Information about CGNPC

Founded on September 29, 1994, CGNPC is a large clean energy enterprise under the supervision of the SASAC. CGNPC Group is principally engaged in the generation and sale of electricity, construction, operation and management of nuclear power projects and non-nuclear clean energy projects. As at the Latest Practicable Date, CGNPC holds approximately 58.89% of the issued share capital of the Company and is the controlling shareholder of the Company.

8. Basis of Determination of Coupon Rate of the A Share Convertible Corporate Bonds

In determining the coupon rate of the A Share Convertible Corporate Bonds, the Company and the sponsor (the lead underwriter) will make reference to, among other things, (i) the interest rates of the convertible bonds issued by other PRC issuers of a size comparable to the Company (“Market Comparables”) around the time of determination of coupon rate by the Company; (ii) the then trading price of A Shares; (iii) the then condition and investment sentiment of the PRC bond market; and (iv) the credit rating of the Company and the A Share Convertible Corporate Bonds. The Company expects that the coupon rate of the A Share Convertible Corporate Bonds will not substantially deviate from that of the Market Comparables.

Taking into account that (i) the determination mechanism of the coupon rate (i.e the Board or its authorized persons being authorized to negotiate and determine with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the specific conditions of the Company before the Issuance) is subject to the approval of the Shareholders at the EGM and the Class Meetings; (ii) other factors as set out in the previous paragraph that the Company and the sponsor take into account when determining the coupon rate; (iii) the final coupon rate is expected not to be deviated substantially from that of the Market Comparables; and (iv) the determination mechanism of the coupon rate is in compliance with the applicable laws and regulations in the PRC, the Company considers that the proposed determination mechanism of the coupon rate of the A Share Convertible Corporate Bonds is fair and reasonable and in the interests of the Shareholders and the Company as a whole.

9. Equity Financing Activities in the Past 12 Months

In the past 12 months prior to the Latest Practicable Date, the Company has not conducted any equity financing activities involving the issuance of equity securities.

10. Relevant Risks of the Issuance of A Share Convertible Corporate Bonds

The Issuance of A Share Convertible Corporate Bonds is subject to certain risks, including but not limited to the risk of changes in politics, laws, regulations and policies, management risk, risk in approvals, etc. Investors are advised to take abovementioned risk factors into due consideration when evaluating the Issuance of A Share Convertible Corporate Bonds.

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11. The Issuance and the Subscriptions not Leading to Changes in the Right of Control of the Company

As at the Latest Practicable Date, CGNPC, the controlling shareholder of the Company, holds approximately 58.89% of the Company's issued share capital. The total amount of A Share Convertible Corporate Bonds proposed to be issued by the Company will not exceed RMB4.9 billion. If CGNPC waives the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds under the Issuance and does not participate in the Issuance, CGNPC will remain as the controlling shareholder of the Company after the Issuance of A Share Convertible Corporate Bonds is completed and all of the A Share Convertible Corporate Bonds are converted into A Shares at the initial Conversion Price of RMB4.76 per A Share (i.e., the higher of average trading price of A Shares for the 20 trading days immediately preceding the Latest Practicable Date and the average price of A Shares on the immediately preceding trading day of the Latest Practicable Date). Therefore, the Issuance of A Share Convertible Corporate Bonds and the Possible Subscription will not lead to any changes in the right of control of the Company, and will not lead to the distribution of shareholding failing to satisfy the relevant listing conditions.

12. Implications of the PRC Regulatory Requirements on the Proposed Issuance of A Share Convertible Corporate Bonds and the Possible Subscription for A Share Convertible Corporate Bonds By Connected Person

Pursuant to the requirements of the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, if the abovementioned connected person subscribes for the Convertible Bonds to be issued by the Company, the transaction is exempted from the approval and disclosure requirements for connected transactions.

The proposed Issuance of A Share Convertible Corporate Bonds by the Company may, upon the exercise of the conversion rights of the A Share Convertible Corporate Bonds, lead to the issuance of new A Shares, the actual number of which depends on a number of factors, including the Conversion Price of the A Share Convertible Corporate Bonds.

The Board considers that the conversion of A Share Convertible Corporate Bonds into new A Shares will dilute the interests of the existing A Shareholders and H Shareholders in the Company's share capital. Pursuant to the Articles of Association and the provisions of the relevant PRC laws and regulations, the proposed Issuance of A Share Convertible Corporate Bonds shall be subject to, among other things, the Shareholders' approvals at the EGM and the Class Meetings, and approvals from the relevant PRC regulatory authorities.

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13. Relevant Resolutions in Relation to the Proposed Issuance of A Share Convertible Corporate Bonds

Resolutions in relation to the proposed Issuance of A Share Convertible Corporate Bonds include:

- (i) To consider and approve the resolution on satisfaction of the conditions of the Issuance of A Share Convertible Corporate Bonds to non-specific investors by the Company
- (ii) To consider and approve the resolution on the proposal on the Issuance of A Share Convertible Corporate Bonds to non-specific investors
- (iii) To consider and approve the resolution on the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors
- (iv) To consider and approve the resolution on the demonstration and analysis report regarding the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors
- (v) To consider and approve the resolution on the feasibility analysis report on the use of proceeds from the Issuance of A Share Convertible Corporate Bonds to non-specific investors
- (vi) To consider and approve the resolution on the report on the use of proceeds previously raised
- (vii) To consider and approve the resolution on the remedial measures and undertakings by relevant parties in relation to dilutive impact on immediate returns of the Issuance of A Share Convertible Corporate Bonds to non-specific investors
- (viii) To consider and approve resolution on the rules of procedures of meeting of the bondholders of A Share Convertible Corporate Bonds of CGN Power Co., Ltd.
- (ix) To consider and approve the resolution on authorization to the Board or its authorized persons granted by the general meeting of Shareholders to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors at its sole discretion
- (x) To consider and approve the resolution on the Possible Subscription of the Company's substantial shareholders for the preferential placement of the Issuance of A Share Convertible Corporate Bonds to non-specific investors

The resolution on the connected transaction in relation to Possible Subscription for A Share Convertible Corporate Bonds by connected persons relates to the matters in relation to the Possible Subscription for A Share Convertible Corporate Bonds by connected persons under the Issuance only. Consideration and approval of this resolution and whether such resolution will be implemented do not constitute a prerequisite of consideration and implementation of the resolution for the Issuance and other relevant resolutions.

Details of relevant resolutions are set out in Appendices I - VIII to this circular.

LETTER FROM THE BOARD

Investors should be aware that the proposed Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the EGM and the Class Meetings, issuance and listing review of the Shenzhen Stock Exchange and the registration with the CSRC. As the proposed Issuance of A Share Convertible Corporate Bonds is still subject to the fulfilment of various conditions, the Issuance of A Share Convertible Corporate Bonds may or may not proceed or become effective. CGNPC may or may not subscribe for the A Share Convertible Corporate Bonds. Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

IV. THE EGM AND H SHAREHOLDERS' CLASS MEETING

The Company will convene the EGM and H Shareholders' Class Meeting at 2:30 p.m. on Thursday, August 8, 2024 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC to consider and, if thought fit, to pass resolutions in respect of the matters set out in the notices of the EGM and the H Shareholders' Class Meeting. A form of proxy and a reply slip have been published on the Company's website and the HKEXnews website of the Hong Kong Stock Exchange on July 5, 2024. The notices of the EGM and H Shareholders' Class Meeting are set out on pages EGM-1 to HCM-4 of this circular.

CGNPC is required to abstain from voting at the EGM in respect of relevant resolutions to approve the Possible Subscription for A Share Convertible Corporate Bonds. Save for the above, to the best of the knowledge, information and belief of the Directors, no other Shareholders have material interests in the Possible Subscription, and are hence required to abstain from voting at the EGM in respect of relevant resolutions to approve the Possible Subscription. In addition, to the best of the knowledge, information and belief of the Directors, no Shareholders are required to abstain from voting in respect of other resolutions.

Whether or not you are able to attend and/or vote at the EGM and/or H Shareholders' Class Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the EGM and/or H Shareholders' Class Meeting (in person or by proxy), you are required to complete and return the accompanying reply slip(s) to the H Share Registrar on or before Thursday, July 18, 2024.

If you intend to appoint a proxy to attend the EGM and/or the H Shareholders' Class Meeting, you are required to complete and return the accompanying form(s) of proxy in accordance with the instructions printed thereon. For H Shareholders, the form(s) of proxy should be returned to the H Share Registrar in person or by post as soon as possible and in any event not less than 24 hours before the time appointed for holding the EGM and/or H Shareholders' Class Meeting or any adjourned meeting thereof.

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM and/or H Shareholders' Class Meeting should you so wish, and completion and return of the reply slip(s) do not affect the right of a Shareholder to attend and vote at the respective meeting.

LETTER FROM THE BOARD

A Shareholders can vote on-site or by proxy, or through the Internet. For the voting method and registration method of participating in the EGM and/or A Shareholders' Class Meeting, please refer to the relevant announcement of the Company dated July 5, 2024 as published on the website of the Shenzhen Stock Exchange.

Voting By Poll at the EGM and the H Shareholders' Class Meeting

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM and the H Shareholders' Class Meeting must be taken by poll. The chairmen of the EGM and H Shareholders' Class Meeting will therefore demand a poll for every resolution put to the vote of the EGM and H Shareholders' Class Meeting pursuant to Article 97 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) at the EGM or the H Shareholders' Class Meeting shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she has in the same manner.

Closure of Register of Members and Eligibility For Attending and Voting at the EGM and the H Shareholders' Class Meeting

In order to ascertain the entitlements of the Shareholders to attend and vote at the EGM and the H Shareholders' Class Meeting, the register of members of H Shareholders of the Company will be closed from Tuesday, July 9, 2024 to Thursday, August 8, 2024 (both days inclusive), during which period no transfer of H Shares of the Company will be effected. Shareholders whose names appear on the register of members of the Company on Tuesday, July 9, 2024 will be entitled to attend and vote at the EGM and the H Shareholders' Class Meeting.

To be eligible to attend and vote at the EGM and/or the H Shareholders' Class Meeting, all transfer documents of H Shares together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, July 8, 2024.

V. THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all Independent non-executive Directors has been formed by the Board of the Company to give recommendations to the Independent Shareholders on the Possible Subscriptions and the transactions contemplated thereunder. The Independent Financial Adviser has also been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the following matters: (i) whether or not the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether or not the Possible Subscription is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the proposed Issuance of A Share Convertible Corporate Bonds and the Possible Subscription, although not in the ordinary and usual course of the Group's business, are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the terms of which are fair and reasonable insofar as the Company and the Independent Shareholders are concerned. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of all the resolutions as set out in the notices of the EGM and the H Shareholders' Class Meetings.

VII. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information set out in Appendices I to IX to this circular.

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

Yin Engang

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

The PRC, July 5, 2024

* *For identification purpose only*

**LETTER FROM THE INDEPENDENT BOARD
COMMITTEE TO THE INDEPENDENT SHAREHOLDERS**



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)

July 5, 2024

To Shareholders

Dear Sir or Madam:

**Connected Transaction in relation to Possible Subscription for
A Share Convertible Corporate Bonds by Connected Persons**

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the Possible Subscription and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole, the details of which are set out in the “**Letter from the Board**” of this circular (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

TC Capital International Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) whether or not the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether or not the Possible Subscription is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. The contents of the letter of advice are set out on pages 34 to 57 of the Circular.

Having considered the information set out in the Letter from the Board, the interests of the Independent Shareholders and the advice of TC Capital International Limited, we are of the view that, (i) the terms of the Possible Subscription are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Possible Subscription is not conducted in the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions at the EGM to approve the Possible Subscription and the transactions contemplated thereunder.

**LETTER FROM THE INDEPENDENT BOARD
COMMITTEE TO THE INDEPENDENT SHAREHOLDERS**

Yours faithfully,
For and on behalf of
the Independent Board Committee

Wong Ming Fung
Independent
non-executive Director

Li Fuyou
Independent
non-executive Director

Xu Hua
Independent
non-executive Director

* *For identification purpose only*

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT
BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**

Set out below is the text of a letter received from TC Capital International Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Possible Subscription, for the purpose of inclusion in this circular.



July 5, 2024

*The Independent Board Committee and the Independent Shareholders
CGN Power Co., Ltd.**

Dear Sirs,

**CONNECTED TRANSACTION IN RELATION TO POSSIBLE
SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE
BONDS BY CONNECTED PERSONS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Possible Subscription, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated July 5, 2024 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Company intends to apply to the Shenzhen Stock Exchange for the Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount of not exceeding RMB4.9 billion (RMB4.9 billion inclusive). The proposed Issuance of A Share Convertible Corporate Bonds shall be subject to the approvals of the Shareholders at the EGM and the Class Meetings, the issuance and listing review of the Shenzhen Stock Exchange and the registration with the CSRC.

According to the subscription arrangement for the existing A Shareholders of the plan for the Issuance of A Share Convertible Corporate Bonds as set out in the paragraph headed “16. Subscription arrangement for the existing A Shareholders” in the Circular, preferential placement of the A Share Convertible Corporate Bonds issued by the Company will be granted to the existing A Shareholders. The existing A Shareholders are entitled to surrender such rights. The specific amount of preferential placement to be granted to the existing A Shareholders shall be determined by the Board or its authorised persons as authorised by the

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT
BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**

EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds. The preferential placement is subject to the Company Law, the Listing Rules and all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related party transactions).

As at the Latest Practicable Date, CGNPC held 560,235,000 H Shares and 29,176,641,375 A Shares. CGNPC shall have the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds and the right to surrender such rights. CGNPC may subscribe for the A Share Convertible Corporate Bonds with a maximum subscription amount of approximately RMB3,634,564,500.

As at the Latest Practicable Date, CGNPC was a controlling shareholder of the Company holding approximately 58.89% of the issued share capital of the Company, and was therefore a connected person of the Company. Accordingly, the Possible Subscription by CGNPC will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising Mr. Wong Ming Fung, Mr. Li Fuyou, and Ms. Xu Hua (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Possible Subscription is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Possible Subscription at the EGM. We, TC Capital International Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships with or interests in the Company or any other parties that could reasonably be regarded as relevant to the independence of us. In the last two years, we have acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in relation to an occasion as detailed in the circular of the Company dated April 6, 2023. Given (i) our independent role in the abovementioned engagement; and (ii) our fees for the abovementioned engagement represented an insignificant percentage of our revenue, we consider that the abovementioned engagement would not affect our independence to form our opinion in respect of the Possible Subscription.

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT
BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**

BASIS OF OUR OPINION

In putting forth our recommendation, we have relied on the information, opinions, facts and representations supplied to us by the Directors and/or the representatives of the Company. We have reviewed, among other things, (i) the annual reports of the Company for the years ended December 31, 2022 and 2023 (the “**2022 Annual Report**” and the “**2023 Annual Report**” respectively) and the first quarterly report of the Company for the three months ended March 31, 2024 (the “**2024 First Quarterly Report**”); (ii) other information as set out in the Circular; and (iii) relevant market data and information available from public sources.

We have assumed that all such information, opinions, facts and representations provided to us by the Directors and/or the representatives of the Company, for which they are fully responsible, are true, accurate and complete in all respects. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the representatives of the Company. The Company has also confirmed to us that no material facts have been omitted from the information supplied and we have no reason to suspect that any material information has been withheld or is misleading.

We consider that we have sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and/or the representatives of the Company, nor have we conducted any independent investigation into the business, affairs, operations, financial position or future prospects of each of the Company, CGNPC and any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Possible Subscription, we have taken into account the following principal factors and reasons:

1. Information on the Group and CGNPC

1.1 Information on the Group

As stated in the Letter from the Board, the Group mainly constructs, operates and manages nuclear power stations, sells electricity generated by these stations, and organises and launches the design of and scientific research projects for nuclear power stations.

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT
BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**

Set out below is certain financial information of the Group for the three years ended December 31, 2023 (“FY2021”, “FY2022” and “FY2023”, respectively) and the three months ended March 31, 2023 and 2024 (“1Q2023” and “1Q2024”, respectively) as extracted from the 2022 Annual Report, the 2023 Annual Report and the 2024 First Quarterly Report:

	For the three months ended March 31,		For the year ended December 31,			
	2024	2023	2023	2022	2022	2021
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited and restated)</i>	<i>(Audited)</i>	<i>(Audited and restated)</i>
Operating revenue	19,182	18,289	82,549	82,822	82,822	80,679
Operating profit	6,334	6,219	20,594	18,846	18,845	18,354
Net profit	3,604	3,486	10,725	9,964	9,965	9,764
attributable to shareholders of the parent company						

	As at March 31, 2024	2023	As at December 31,		2021
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited and restated)</i>	<i>(Audited)</i>	<i>(Audited and restated)</i>
Total assets	419,178	415,250	409,016	409,016	400,033
Total liabilities	250,750	249,946	251,083	251,086	249,083
Total equity attributable to shareholders of the parent company	116,954	113,236	107,026	107,028	100,942

As shown in the above table, the operating revenue of the Group increased to approximately RMB82,822 million for FY2022, representing a slight increase of approximately 3% as compared with the corresponding restated figure for FY2021. The net profit attributable to shareholders of the parent company for FY2022 represented a slight increase of approximately 2% as compared with the corresponding restated figure for FY2021. As stated in the 2022 Annual Report, the improvement in financial performance of the Group in FY2022 was mainly due to the increase in the construction volume of Huizhou nuclear power project and Cangnan nuclear power project of China Nuclear Power Engineering Co., Ltd.*.

The operating revenue of the Group remained relatively stable and amounted to approximately RMB82,549 million for FY2023 as compared with the corresponding restated figure for FY2022. The net profit attributable to shareholders of the parent company for FY2023 increased to approximately RMB10,725 million, representing an increase of approximately 8% as compared with the corresponding restated figure for FY2022. As advised by the representatives of the Company, the improvement in financial performance of the Group in FY2023 was mainly due to the increase of the sales of electricity as the result of the increase in the total annual on-grid power generation in FY2023 as compared with FY2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS

The operating revenue of the Group increased to approximately RMB19,182 million for 1Q2024, representing an increase of approximately 5% as compared with the corresponding figure for 1Q2023. The net profit attributable to shareholders of the parent company for 1Q2024 amounted to approximately RMB3,604 million, representing a slight increase of approximately 3% as compared with the corresponding figure for 1Q2023. According to the 2024 First Quarterly Report, the improvement in financial performance of the Group in 1Q2024 was primarily due to the increase in construction, installation and construction design business for nuclear power projects under construction in Huizhou, Cangnan, etc.

The total equity attributable to shareholders of the parent company as at December 31, 2022 represented an increase of approximately 6% as compared with the corresponding restated figure as at December 31, 2021. The total equity attributable to shareholders of the parent company as at December 31, 2023 amounted to approximately RMB113,236 million, representing an increase of approximately 6% as compared with the corresponding restated figure as at December 31, 2022. The total equity attributable to shareholders of the parent company as at March 31, 2024 further increased to approximately RMB116,954 million, representing an increase of approximately 3% as compared with the corresponding figure as at December 31, 2023. As advised by the representatives of the Company, such increases in the total equity attributable to shareholders of the parent company were mainly due to the profit-making position of the Group during FY2022, FY2023 and 1Q2024.

1.2 Information on CGNPC

As stated in the Letter from the Board, founded on September 29, 1994, CGNPC is a large clean energy enterprise under the supervision of the SASAC. CGNPC group is principally engaged in the generation and sale of electricity, and the construction, operation and management of nuclear power projects and non-nuclear clean energy projects. As at the Latest Practicable Date, CGNPC held approximately 58.89% of the issued share capital of the Company and was a controlling shareholder of the Company.

2. Reasons for and benefits of the Possible Subscription and use of proceeds

2.1 Reasons for and benefits of the Possible Subscription

As stated in the Letter from the Board, the proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors, after deducting issuance expenses, are intended to be used for Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project (“**Lufeng Unit 5**” and “**Lufeng Unit 6**” respectively), which adopted the third-generation nuclear power and large-scale advanced pressurised water reactor technology. Implementation of this investment project is in compliance with the national key strategic directions in respect of energy safety, carbon peaking and carbon neutrality, and is in line with the industry policy of national energy development.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS

As further disclosed in the Letter from the Board, the investment project has strong profitability and good development prospects. The proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds will deliver great economic benefits to the Company by helping optimise its financial structure, meeting its business expansion needs, further expanding its operating scale and comprehensive strength, improving the operating efficiency and core competitiveness, which will lay a solid foundation for the healthy and rapid development in the future, and thus are in the interests of the Company and the Shareholders as a whole. The Possible Subscription facilitates the smooth implementation of the Issuance and the decision-making on the long-term strategies of the Company.

Outlook for the nuclear power industry in the PRC

With reference to the 2023 Annual Report, the 20th National Congress of the Communist Party of the PRC convened in October 2022 outlined the strategic direction of actively, safely and orderly developing nuclear energy. This direction is an essential component of the national energy strategy, playing a crucial role in optimising the national energy structure, ensuring energy security, and establishing a new energy system. According to the “Report on the Work of the Government”* (《政府工作報告》) released on March 5, 2023, the State Council proposed the principles of “maintaining safe and stable energy supply and low-carbon green development” and “accelerating the construction of new energy system”. Moreover, during the National Ecosystem and Environmental Protection Conference held on July 17, 2023, emphasis was placed on “actively and steadily pushing forward the achievement of carbon peaking and carbon neutrality” and “developing a clean, low-carbon, safe and efficient energy system”.

According to the “Bluebook on the Development of New Power System”* (《新型電力系統發展藍皮書》) issued by the National Energy Administration of the PRC on June 2, 2023, an accelerated transition phase is underway for the new power system in the PRC from 2023 to 2030, during which a unified national power market system will be fundamentally established. The Chinese government aims to achieve a peak in carbon dioxide emissions before 2030.

Pursuant to the “Plan for Modern Energy System during the 14th Five-Year Period”* (《「十四五」現代能源體系規劃》) issued by the National Development and Reform Commission and the National Energy Administration of the PRC on March 22, 2022, the Chinese government aims to reduce carbon dioxide emissions by 18% and energy intensity by 13.5% per unit of gross domestic product over the 14th five-year period. It also endeavours to attain a target of 39% for non-fossil energy power generation and sets a goal of reaching 20% non-fossil energy consumption by 2025. The annual production capacity of non-fossil energy in the eastern and central regions of the PRC, particularly in the Guangdong-Hong Kong-Macau Greater Bay Area (the “**Greater Bay Area**”) and other areas, is expected to increase by over 150 million tonnes of standard coal during the 14th five-year period. The installed capacity of nuclear power generating units in the PRC is expected to reach 70 gigawatts by 2025 (the “**Capacity Target**”). According to the statistical data published by the National Energy Administration of the PRC on January 26, 2024, the national investment in nuclear power engineering construction reached RMB94.9 billion in 2023, representing an

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT
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increase of 20.8% as compared with the preceding year. We further noted from the statistical data that the installed capacity of nuclear power generating units in the PRC as of December 31, 2023 amounted to 56.91 gigawatts, accounting for approximately 1.9% of the total installed capacity of power generating units in the PRC in 2023 and approximately 81.3% of the Capacity Target, which indicates that nuclear power occupies a relatively modest share in the national energy structure with ample room for development. The Company believed that with the Chinese government's active promotion of carbon peaking and carbon neutrality, enhanced energy security and expedited construction of a new energy system, the nuclear power industry in the PRC remains in a crucial phase of strategic opportunities, offering substantial potential for growth and promising market prospects.

Reinforcing the advantages of nuclear power generating units as a principal business

As disclosed in the 2022 Annual Report and the 2023 Annual Report, operating revenue generated from the nuclear power business operation, sales of electricity and related technical services segment accounted for over 70% of the total operating revenue of the Group for each of FY2021, FY2022 and FY2023. As discussed in the section headed "Information on the Group" above, the operating revenue of the Group represented a slight increase for FY2022 and remained relatively stable for FY2023. Such financial performance of the Group was mainly due to the increase in the construction volume of Huizhou nuclear power project and Cangnan nuclear power project, the increase in power generation by the subsidiaries of the Company as well as the commencement of commercial operation of Hongyanhe nuclear power station Unit 6 and Fangchenggang nuclear power station Unit 3 in June 2022 and March 2023 respectively.

As advised by the representatives of the Company, the Group managed 27 nuclear power generating units in operation (the "**Operating Units**") and 11 nuclear power generating units being approved and under construction (including those under construction which were entrusted by the controlling shareholder to the Company for management) as of December 31, 2023. The total on-grid power generated by the Operating Units for the year ended December 31, 2023 increased by approximately 7.95% compared with that for FY2022. A total of 10 nuclear power projects managed by the Group, including Lufeng Unit 5 and Lufeng Unit 6, were approved by the State Council during FY2022 and FY2023, which signifies the Chinese government's support for the construction of new nuclear power generating units in the PRC.

As discussed in the section headed "Outlook for the nuclear power industry in the PRC" above, the Chinese government places emphasis on expediting the development of clean energy in the Greater Bay Area during the 14th five-year period. Since Lufeng Unit 5 and Lufeng Unit 6 are situated in the Guangdong Province of the PRC, the Company stands to benefit from the proactive implementation of national policies that promote the utilisation of clean energy. Hence, the Directors are of the view that Lufeng Unit 5 and Lufeng Unit 6 will contribute to the Group's pursuit of gaining competitive advantages in the nuclear power industry, expanding the scale of its nuclear power business and enhancing the core competitiveness of its principal business.

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT
BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**

Enhancing financial structure and supporting working capital requirements

According to the 2023 Annual Report, the debt to equity ratio (calculated as net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months) over total shareholders' equity) of the Company had reached approximately 111.2% as at December 31, 2023. As advised by the representatives of the Company, as at December 31, 2023, the Group possessed cash and cash equivalents of approximately RMB9,098 million and had total borrowings comprising short-term loans, short-term bonds payable, long-term loans, bonds payable, and long-term loans and bonds payable due within one year of approximately RMB199,313 million, of which approximately RMB37,548 million was due within one year.

As advised by the representatives of the Company, despite the Company's decreasing debt level in recent years, debt financing has remained the primary approach for raising funds, and the fluctuating market interest rates have affected the debt financing cost of the Company. The Group is actively engaged in negotiations with its banking partners, leveraging the benefits of phased credit financing to satisfy its working capital requirements and replacing outstanding debts with bank borrowings at more favourable interest rates. Considering the Group's ongoing financing needs to fulfill its working capital requirements for the business expansion plan and the repayment of interest-bearing liabilities, it is believed that the Issuance of A Share Convertible Corporate Bonds offers a favourable opportunity for the Group to raise additional capital through equity financing, and the net proceeds from the Possible Subscription will alleviate the cash flow pressure and strengthen the debt repayment capability of the Group.

2.2 Use of proceeds

As set out in the Letter from the Board, the total amount of proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.9 billion (including RMB4.9 billion). The net proceeds after deducting issuance expenses are intended to be used for the following purposes:

Names of investment projects	Total project investment RMB million	Proceeds to be invested RMB million
Lufeng Unit 5 and Lufeng Unit 6	40,865	4,900

As set out in the Letter from the Board, before receiving the proceeds from the Issuance of A Share Convertible Corporate Bonds, the Company will invest in the investment projects by internal funds based on the operating conditions and development plans. The funds will be replaced by the proceeds upon receipt. If the actual net proceeds from the Issuance are less than the total amount of proceeds to be invested in the investment projects mentioned above, the Board may make appropriate adjustments to the order and amount of investment of the proceeds within the scope of the above investment projects based on the actual needs of the investment projects. The shortfall will be funded by the Company.

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As shown in the table above, all of the proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds of up to RMB4,900 million will be utilised for the investment in Lufeng Unit 5 and Lufeng Unit 6. According to the 2022 Annual Report and the announcement of the Company dated August 27, 2023, Lufeng Unit 5 and Lufeng Unit 6 were approved by the State Council on April 20, 2022, and construction officially commenced on September 8, 2022 and August 26, 2023 respectively. For due diligence purposes, we have obtained and reviewed the excerpt from the feasibility report provided by the Company in relation to the construction of Lufeng Unit 5 and Lufeng Unit 6 and noted that the estimated base construction cost for Lufeng Unit 5 and Lufeng Unit 6 is approximately RMB32 billion, and the estimated total investment cost for Lufeng Unit 5 and Lufeng Unit 6 is approximately RMB40 billion (the “**Estimated Total Project Investment Cost**”). As mentioned in the section headed “Reinforcing the advantages of nuclear power generating units as a principal business” above, the Company believed that the investment in Lufeng Unit 5 and Lufeng Unit 6 has strategic significance for the sustainable development of the Company, which is expected to enhance the business performance and profitability of the Group in the foreseeable future. Having considered the Estimated Total Project Investment Cost and that the Company’s proposed allocation of all of the proceeds from the Issuance of A Share Convertible Corporate Bonds for the investment in Lufeng Unit 5 and Lufeng Unit 6 is in line with the principal business and strategic development plan of the Group, the proposed use of proceeds for the investment in Lufeng Unit 5 and Lufeng Unit 6 is deemed to be justifiable.

2.3 Financing methods available to the Company

As advised by the representatives of the Company, the Directors have considered various fund raising alternatives apart from the proposed Issuance of A Share Convertible Corporate Bonds such as debt financing, rights issue or open offer.

In respect of debt financing or bank borrowings from commercial banks, the Directors are of the view that debt financing may not be the most practicable financing plan for the Group to meet its capital needs as bank borrowings may involve lengthy negotiation with banks and may incur higher interest expenses as compared to the coupon rate of A share convertible corporate bonds, which will adversely affect the profitability of the Group. With reference to the comparable analysis as set out under the section headed “Comparison with other market issues of A share convertible corporate bonds” below, we noted that the announced coupon rates of A share convertible corporate bonds proposed to be issued by the Comparables (as defined below) ranged from 0.20% to 3.50%, which was lower than the current five-year loan prime rate of 3.95% published by the People’s Bank of China. Besides, according to the 2023 Annual Report, the range of annual interest rates of the long-term loans of the Group for the year ended December 31, 2023 is from 1.50% to 5.15%.

In respect of equity financing, the Directors consider that (i) conducting a rights issue or open offer is time-consuming for a company with A shares listed on the Shenzhen Stock Exchange and H shares listed on the Hong Kong Stock Exchange; and (ii) the issuance of new Shares would lead to immediate dilution on the shareholding of the existing Shareholders within a relatively short period of time. On the contrary, the Issuance of A Share Convertible Corporate Bonds will not have an immediate dilution impact on the shareholding of the existing Shareholders upon completion of its issuance.

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In light of the above, we concur with the Directors' view that the Possible Subscription, which forms an integral part of the proposed Issuance of A Share Convertible Corporate Bonds, is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Possible Subscription

3.1 Principal terms of the Possible Subscription

As stated in the Letter from the Board, the terms and conditions of the Possible Subscription for the A Share Convertible Corporate Bonds by CGNPC are the same as those of subscription for the A Share Convertible Corporate Bonds by other existing A Shareholders.

Set out below is the summary of certain principal terms of the Possible Subscription as extracted from the Circular:

(i) Type of securities to be issued

The type of the securities to be issued is convertible corporate bonds which can be converted into A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted will be listed on the main board of the Shenzhen Stock Exchange.

(ii) Size of the issuance

The total amount of proceeds raised from the proposed Issuance of A Share Convertible Corporate Bonds will not exceed RMB4.9 billion (RMB4.9 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board or its authorised persons as authorised by the EGM and the Class Meetings within the above range.

(iii) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(iv) Bonds term

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

(v) Coupon rate

The method for determination of coupon rate of the A Share Convertible Corporate Bonds under the Issuance and the final interest rate for the interest accrual year shall be determined by the Board or its authorised persons as authorised by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance.

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We understood from the representatives of the Company that the above method for determination of coupon rate of the A Share Convertible Corporate Bonds is in compliance with the relevant PRC rules and regulations. In this respect, we noted from Article 61 of the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (上市公司證券發行註冊管理辦法) (the “**Administrative Measures**”) promulgated by the CSRC that the coupon rate of a convertible corporate bond issued to non-specific investors shall be determined by the issuer and the lead underwriter through negotiations in accordance with the relevant regulations. We also noted from Article 44 of the Administrative Measures for the Issuance and Trading of Corporate Bonds (公司債券發行與交易管理辦法) (the “**Issuance and Trading Measures**”) promulgated by the CSRC that the issuer and the lead underwriter shall negotiate and determine the coupon rate of corporate bonds by market-based methods. As such, we consider that the method for determination of coupon rate of the A Share Convertible Corporate Bonds is in compliance with the Administrative Measures and the Issuance and Trading Measures.

With reference to the comparable analysis as set out under the section headed “Comparison with other market issues of A share convertible corporate bonds” below, all of the coupon rates of the A share convertible corporate bonds proposed to be issued by the Comparables (as defined below) (i) are yet to be determined before the relevant shareholders meetings; and (ii) shall be determined by their respective board of directors or its authorised persons (if applicable) in accordance with national policies, market conditions and the actual conditions of the Comparables prior to the issuance. After considering the above, we concur with the Company that it is common market practice that the coupon rate of the A Share Convertible Corporate Bonds was yet to be determined as at the Latest Practicable Date and the method for determination of the coupon rate of the A Share Convertible Corporate Bonds is in line with those of the A share convertible corporate bonds proposed to be issued by the Comparables.

(vi) Term and method of principal and interest payment

The interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal of the outstanding A Share Convertible Corporate Bonds shall be repaid together with the interest accrued for the previous year.

(vii) Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

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(viii) Determination and adjustment of the Conversion Price

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of the A Shares for the 20 trading days immediately preceding the date of publication of the offering document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of the A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of the A Shares on the immediately preceding trading day and shall not be lower than the latest audited net asset value per Share and par value of the Shares. The specific initial Conversion Price shall be determined by the Board or its authorised persons as authorised by the EGM and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions and the actual conditions of the Company prior to the Issuance.

As advised by the representatives of the Company, we understood that the above method for determination of the initial Conversion Price is in compliance with the relevant PRC rules and regulations. We noted from Article 9 of the Measures for the Administration of Convertible Corporate Bonds (可轉換公司債券管理辦法) (the “**Convertible Corporate Bonds Measures**”) promulgated by the CSRC that the conversion price of a convertible bond issued to non-specific investors by a listed company shall not be lower than the average trading price of the issuer’s shares for the 20 trading days preceding the date of publication of the offering document and the average trading price on the trading day preceding the date of publication of the offering document, and shall not be amended upward. Accordingly, we consider that the method for determination of the initial Conversion Price is in compliance with the Convertible Corporate Bonds Measures.

With reference to the comparable analysis as set out under the section headed “Comparison with other market issues of A share convertible corporate bonds” below, we concur with the Company that it is common market practice that the initial Conversion Price was yet to be determined as at the Latest Practicable Date and the method for determination of the initial Conversion Price is in line with those of the A share convertible corporate bonds proposed to be issued by the Comparables.

The Conversion Price will be adjusted according to the formula as set out in the Letter from the Board upon the Issuance in case of changes in the Shares due to certain events, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends. We noted that the adjustment method is in line with those of the A share convertible corporate bonds proposed to be issued by the Comparables.

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(ix) Terms of downward adjustment to the Conversion Price

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of the A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the general meeting and the class meetings for consideration and approval.

The abovementioned proposal is subject to the approval of more than two-thirds of Shareholders with voting rights who attend the general meeting and the class meetings respectively. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such general meeting and the class meetings. The adjusted Conversion Price shall be no less than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of such a general meeting and class meetings and the average trading price of A Shares on the trading day immediately preceding the date of such a general meeting and class meetings. In addition, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value of the Share.

In the event of an adjustment to the Conversion Price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be executed based on the adjusted Conversion Price.

As advised by the representatives of the Company, we understood that the above downward adjustment mechanism to the Conversion Price is in compliance with the relevant PRC rules and regulations. We noted from Article 10 of the Convertible Corporate Bonds Measures that (i) the downward adjustment proposal to the conversion price is subject to the approval of more than two-thirds of the voting rights held by the shareholders attending the general meeting of the issuer and shareholders who hold the convertible corporate bonds shall abstain from voting at the general meeting; and (ii) the adjusted conversion price shall be no less than the higher of the average trading price of the shares of the issuer for the 20 trading days preceding the date of the general meeting and the average trading price of the shares of the issuer on the trading day preceding the date of such meeting. Accordingly, we consider that the downward adjustment mechanism to the Conversion Price is in compliance with the Convertible Corporate Bonds Measures.

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With reference to the comparable analysis as set out under the section headed “Comparison with other market issues of A share convertible corporate bonds” below, we noted that all of the Comparables have conversion price downward adjustment mechanisms. As mentioned above, the Board is entitled to propose a downward adjustment to the Conversion Price if the closing prices of the A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price. Such threshold of 85% falls within the market range of the Comparables ranging from 80% to 90% of the prevailing conversion prices of the Comparables.

(x) Method for determining the number of A Shares for conversion

Where a Bondholder applies for the conversion during the conversion period under the Issuance, the formula for calculating the number of A Shares to be issued upon conversion is set out in the Letter from the Board.

The number of A Shares to be converted shall be in whole number where the Bondholder applies for the conversion. Where the remaining balance of the A Share Convertible Corporate Bonds is insufficient to be converted into one A Share, within five trading days from the date of conversion by the Bondholders, the Company shall pay the Bondholders in cash an amount equal to the par value of such A Share Convertible Corporate Bonds and the accrued interest thereof for current period in accordance with the relevant requirements of the Shenzhen Stock Exchange, the securities registration authority and other authorities.

(xi) Terms of sale back

A. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing Conversion Price, the Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest.

In the event that an adjustment to the Conversion Price is made due to distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of the conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue, distribution of cash dividends during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the Conversion Price, the aforesaid “30 consecutive trading days” shall be re-counted from the first trading day following the adjustment to the Conversion Price.

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The Bondholders may exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. Where the sale back conditions are initially satisfied and the Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, no sale back rights may be exercised during such interest accrual years. The Bondholders are not allowed to exercise part of their sale back rights for multiple times.

B. Additional terms of sale back

Where the actual use of the proceeds raised from the A Share Convertible Corporate Bonds under the Issuance significantly differs from the undertakings of the use of proceeds set out by the Company in the offering document, and such difference is considered by the CSRC and the Shenzhen Stock Exchange as a change in the use of proceeds, the Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus the then accrued interest. Subject to additional condition of sale back, the Bondholders may sell their A Share Convertible Corporate Bonds back to the Company during the additional sale back declaration period as announced by the Company. If the Bondholders do not exercise their sale back rights during such period, no such right may be exercised.

We understood from the representatives of the Company that the above terms of sale back are in compliance with the relevant PRC rules and regulations. We noted from Article 11 of the Convertible Corporate Bonds Measures that the offering document may stipulate the terms of sale back and it shall specify that the convertible bonds holders will have the one-off sell-back right if the issuer changes the use of proceeds raised. Accordingly, we consider that the terms of sale back of the A Share Convertible Corporate Bonds are in compliance with the Convertible Corporate Bonds Measures.

With reference to the comparable analysis as set out under the section headed “Comparison with other market issues of A share convertible corporate bonds” below, the respective issuance plans of the Comparables included terms of sale back similar to those of the A Share Convertible Corporate Bonds. We noted that all of the Comparables involved the additional terms of sale back while three out of the five Comparables involved the terms of conditional sale back similar to those of the A Share Convertible Corporate Bonds.

(xii) Other terms

We have also reviewed the other terms of the Possible Subscription and were not aware of any abnormal term based on the Comparables.

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3.2 Comparison with other market issues of A share convertible corporate bonds

To further assess whether the principal terms of the Possible Subscription are fair and reasonable, we have also conducted a comparable analysis based on the criteria that (i) A share convertible corporate bonds were proposed to be issued by companies listed on both the Hong Kong Stock Exchange and the Shenzhen Stock Exchange or the Shanghai Stock Exchange; and (ii) the publications of the approved or submitted version of offering documents are within the period from January 1, 2022 to June 21, 2024 (i.e. the date of the announcement in relation to the Possible Subscription). We believe that the basis of selecting comparables with the criteria of publications of offering documents within the period from January 1, 2022 to June 21, 2024 is fair and reasonable given that (i) such criteria and period is sufficiently recent to demonstrate the prevailing market practices; and (ii) we were able to identify sufficient relevant market issues for comparison within such period.

Based on our independent research, we have, on best effort basis, identified five comparables (the “**Comparables**”) which are exhaustive market issues based on the aforesaid criteria. We have reviewed certain key terms of the A share convertible corporate bonds.

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Set out below is the summary of the Comparables as extracted from their relevant announcements and offering documents published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk):

Company name and stock code	Date of announcement	Date of offering document	Term (years)	Basis for determining coupon rate	Coupon rate announced upon publication of offering document	Basis for determining initial conversion price	Conversion price downward adjustment mechanism	Terms of sale back
Shanghai Fudan Microelectronics Group Company Limited* (上海復旦微電子集團股份有限公司) (1385.HK)	April 28, 2023	September 17, 2023	6	Same as the Possible Subscription	Not applicable (<i>Note</i>)	Same as the Possible Subscription, except that terms which are, it shall not be lower than the latest audited net asset value per share and par value of the shares, are not applicable	Same as the Possible Subscription, except that terms which are, it shall not be lower than the latest audited net asset value per share and par value of the shares, are not applicable	Same as the Possible Subscription

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Company name and stock code	Date of announcement	Date of publication of offering document	Term (years)	Basis for determining coupon rate	Coupon rate announced upon publication of offering document	Basis for determining initial conversion price	Conversion price downward adjustment mechanism	Terms of sale back
China Galaxy Securities Co., Ltd. (6881.HK)	August 30, 2021	March 21, 2022	6	Same as the Possible Subscription	First year: 0.2% Second year: 0.4% Third year: 0.6% Fourth year: 1.0% Fifth year: 1.8% Sixth year: 2.0%	Same as the Possible Subscription, and the adjusted conversion price is subject to one additional term which is, it shall not be lower than the average trading price of A shares during the 30 trading days immediately preceding the date of publication of the offering document	Same as the Possible Subscription, except that the threshold is 80% of the prevailing conversion price, and the adjusted conversion price is subject to one B. Additional terms of sale back	A. Terms of conditional sale back
DynaGREEN Environmental Protection Group Co., Ltd.* (綠色動力環保集團股份有限公司) (1330.HK)	July 23, 2021	February 22, 2022	6	Same as the Possible Subscription	First year: 0.2% Second year: 0.4% Third year: 0.6% Fourth year: 1.5% Fifth year: 1.8% Sixth year: 2.0%	Same as the Possible Subscription	Same as the Possible Subscription	Same as the Possible Subscription

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Company name and stock code	Date of announcement	Date of publication of offering document	Term (years)	Basis for determining coupon rate	Coupon rate announced upon publication of offering document	Basis for determining initial conversion price	Conversion price downward adjustment mechanism	Terms of sale back
Flat Glass Group Co., Ltd. (6865.HK)	June 16, 2021	May 17, 2022	6	Same as the Possible Subscription	First year: 0.5% Second year: 0.5% Third year: 1.0% Fourth year: 1.5% Fifth year: 1.8% Sixth year: 2.0%	Same as the Possible Subscription, except that terms which are, it shall not be lower than the latest audited net asset value per share and par value of the shares, are not applicable	Same as the Possible Subscription, except that the threshold is 90% of the prevailing conversion price	Same as the Possible Subscription
Bank of Chongqing Co., Ltd.* (重慶銀行股份有限公司) (1963.HK)	March 30, 2021	March 21, 2022	6	Same as the Possible Subscription	First year: 0.2% Second year: 0.4% Third year: 1.0% Fourth year: 1.7% Fifth year: 2.5% Sixth year: 3.5%	Same as the Possible Subscription	Same as the Possible Subscription, except that the threshold is 80% of the prevailing conversion price	A. Terms of conditional sale back Not applicable B. Additional terms of sale back Same as the Possible Subscription

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Company name and stock code	Date of announcement	Date of publication of offering document	Term (years)	Basis for determining coupon rate	Coupon rate announced upon publication of offering document	Basis for determining initial conversion price	Conversion price downward adjustment mechanism	Terms of sale back
The Company (1816.HK)	June 21, 2024	Not applicable	6	To be determined by the Board or its authorised persons as authorised by the EGM and the Class Meetings through the negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance	Not applicable	Not lower than the higher of the average trading price of the A Shares for the 20 trading days immediately preceding the date of publication of the offering document and the average trading price of the A Shares on the immediately preceding trading day, and not lower than the latest audited net asset value per Share and par value of the Shares	If the closing prices of the A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price	<u>A. Terms of conditional sale back</u> During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing Conversion Price, the Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company
						The adjusted Conversion Price shall be no less than the higher of the average trading price of the A Shares for the 20 trading days immediately preceding the date of the general meeting and the class meetings and the average trading price of the A Shares on the trading day immediately preceding the date of such meetings. In addition, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value of the Share		

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Company name and stock code	Date of announcement	Date of publication of offering document	Term (years)	Basis for determining coupon rate	Coupon rate announced upon publication of offering document	Basis for determining initial conversion price	Conversion price downward adjustment mechanism	Terms of sale back
								<p><u>B. Additional terms of sale back</u></p> <p>Where the actual use of the proceeds raised from the A Share Convertible Corporate Bonds significantly differs from the undertakings of the use of proceeds set out by the Company in the offering document, and such difference is considered by the CSRC and the Shenzhen Stock Exchange as a change in the use of proceeds, the Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company</p>

Note: As at the Latest Practicable Date, the offering document of Shanghai Fudan Microelectronics Group Company Limited, which was submitted on September 17, 2023 and approved by the Shanghai Stock Exchange on January 26, 2024, was yet to be approved by the CSRC. Therefore, the actual coupon rate has not been determined.*

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As depicted by the above table, the Possible Subscription is not exceptional based on comparison with the Comparables. Moreover, the key terms of the A Share Convertible Corporate Bonds are largely the same as those of the other convertible corporate bonds proposed to be issued by the Comparables. Therefore, we consider that the terms of the A Share Convertible Corporate Bonds are in line with the market practice. In light of the above factors, in particular that (i) it is common market practice that the coupon rate and the initial Conversion Price of the A Share Convertible Corporate Bonds were yet to be determined as at the Latest Practicable Date and the methods for determination of the coupon rate and the initial Conversion Price are in line with those of the A share convertible corporate bonds proposed to be issued by the Comparables; (ii) the terms of the A Share Convertible Corporate Bonds are in line with the market practice; and (iii) the terms and conditions of the Possible Subscription for the A Share Convertible Corporate Bonds by CGNPC are the same as those of subscription for the A Share Convertible Corporate Bonds by other A Shareholders, we are of the view that the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Dilution effect on the shareholding interests of the existing public Shareholders

The shareholding structures of the Company as at the Latest Practicable Date and after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into the A Shares are set out in the Letter from the Board.

Nevertheless, as balanced by (i) the reasons for and benefits of the Possible Subscription as set out in the section headed “Reasons for and benefits of the Possible Subscription and use of proceeds” above; and (ii) the fairness and reasonableness of the principal terms of the Possible Subscription, we are of the view that the possible dilution effect on the shareholding of the existing public Shareholders is acceptable.

5. Financial effects of the Possible Subscription

5.1 Earnings

As disclosed in the Letter from the Board, all of the proceeds to be raised from the proposed Issuance of A Share Convertible Corporate Bonds will be utilised for the investment in Lufeng Unit 5 and Lufeng Unit 6. Although Lufeng Unit 5 and Lufeng Unit 6 are still in their construction phase and will only be able to contribute profit to the Group when in operation, in light of the future prospects of Lufeng Unit 5 and Lufeng Unit 6 as expected by the Directors, the Directors are of the view that the proposed Issuance of A Share Convertible Corporate Bonds would likely to have a positive impact on the future earnings of the Group. On the other hand, the earnings of the Group will be affected by the interest payable to the Bondholders before the full conversion of the A Share Convertible Corporate Bonds and the changes in fair value of conversion option derivative to be measured at the end of each financial year before the maturity of the A Share Convertible Corporate Bonds.

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5.2 *Net asset value*

According to the 2023 Annual Report, the net asset value of the Group amounted to approximately RMB165,304 million as at December 31, 2023. Upon completion of the proposed Issuance of A Share Convertible Corporate Bonds, the total assets of the Group will be increased by the amount of proceeds to be raised therefrom. The A Share Convertible Corporate Bonds will be accounted for in two separate components in the consolidated balance sheet of the Group, comprising a liability component and an equity component, at initial recognition. The liability component will be determined by using a market interest rate for an equivalent non-convertible bond and will be recorded as a non-current liability at initial recognition. The difference between the net proceeds from the proposed Issuance of A Share Convertible Corporate Bonds and such liability component will be recognised as the equity component and included in the total shareholders' equity. Accordingly, the net asset value of the Group will be increased while the actual impact will be determined with reference to the valuation of the equity component of the A Share Convertible Corporate Bonds. Following the conversion of the A Share Convertible Corporate Bonds, the net asset value of the Group will be increased as a result of the decrease in liabilities.

5.3 *Debt to equity ratio*

According to the 2023 Annual Report, the Group reported a debt to equity ratio (calculated as net debt (the total amount of bank and other borrowings less cash and cash equivalents and other deposits over three months) over total shareholders' equity) of 111.2% as at December 31, 2023. Upon completion of the proposed Issuance of A Share Convertible Corporate Bonds, the net debt of the Group will be decreased by the difference between the net proceeds from the Issuance of A Share Convertible Corporate Bonds and the liability component of the A Share Convertible Corporate Bonds while the total shareholders' equity will be increased by the equity component of the A Share Convertible Corporate Bonds. Hence, the debt to equity ratio of the Group will be decreased. Following the conversion of the A Share Convertible Corporate Bonds, the debt to equity ratio of the Group will be reduced.

Shareholders should note that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Possible Subscription, which forms an integral part of the proposed Issuance of A Share Convertible Corporate Bonds.

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RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Possible Subscription is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Possible Subscription.

Yours faithfully,
For and on behalf of
TC Capital International Limited
Edward Wu **Edith Lee**
Chairman *Managing Director*

Note: Mr. Edward Wu has been a responsible officer of type 6 (advising on corporate finance) regulated activities under the SFO since 2005. Ms. Edith Lee has been a responsible officer of type 6 (advising on corporate finance) regulated activities under the SFO since 2015. Both Mr. Wu and Ms. Lee have participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

* *For identification purpose only*

I. BRIEFING

CGN Power Co., Ltd. (the “Company” and the “Listed Company”) intends to apply for the issuance and listing of A Share Convertible Corporate Bonds (the “Convertible Bonds”) to non-specific investors, pursuant to the relevant requirements of the laws, regulations and regulatory documents including the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”) and the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (the “Registration Administrative Measures”), the Board of the Company shall conduct review of the qualifications and conditions of the Company’s application for the issuance of A Share Convertible Corporate Bonds to non-specific investors.

II. MAJOR CONTENTS

The Company’s application for the issuance of A Share Convertible Corporate Bonds to non-specific investors is mainly applicable to the relevant provisions of the Registration Administrative Measures. The qualifications and conditions of the Issuance are reviewed as follows:

(i) The Company satisfies the issuance conditions of the Convertible Bonds issued by the Listed Company under Article 13 of the Registration Administrative Measures

Pursuant to the provisions of Article 13 of the Registration Administrative Measures, the Listed Company issuing Convertible Bonds shall comply with the following provisions:

1. It has a sound and well-operated organization;
2. The average distributable profit in the last three years is sufficient to pay a year’s interest on the corporate bonds;
3. It has a reasonable structure of assets and liabilities and normal cash flow;
4. Where a company listed on the main board of the stock exchange issues convertible bonds to non-specific investors, it shall make a profit for the last three accounting years, with the weighted average return on equity for the last three accounting years being no less than 6% on average; net profit shall be that before or after deducting non-recurring gains and losses, whichever is lower.

(ii) The Company satisfies the issuance conditions of the issuance of Convertible Bonds by the Listed Company to non-specific investors under items (II) to (V) of Article 9 and Article 10 of the Registration Administrative Measures

Pursuant to the provisions of items (II) to (V) of Article 9 of the Registration Administrative Measures, the Listed Company issuing Convertible Bonds to non-specific investors shall comply with the following provisions:

1. The current directors, supervisors and senior management satisfy the job requirements prescribed by laws and administrative regulations;
2. It has a complete business system and ability to operate independently and directly in the market, and does not fall under circumstances with significant adverse impact on it as a going concern;
3. Its basic accounting work is standardized, its internal control system is perfect and effectively implemented, and its financial statements are prepared and disclosed in accordance with the the Accounting Standards for Business Enterprises and the provisions of the relevant information disclosure rules, and have fairly reflected the financial status, operating results and cash flow of the Listed Company in all important aspects, for which audit reports with unqualified opinions are issued in the last three years;
4. Except for financial enterprises, it made no financial investment with relatively significant amount at the end of a stub period.

Pursuant to the provisions of Article 10 of the Registration Administrative Measures, the Listed Company shall not issue Convertible Bonds to non-specific investors under any of the following circumstances:

1. It changes the use of proceeds raised previously without permission, and fails to make rectification or obtain approval of the General Meeting;
2. The Listed Company or its current directors, supervisors and senior management have received administrative punishment imposed upon by the CSRC in the last three years, or are denounced by the stock exchange in the last year, or are under official investigation by the judicial authority for any suspected crime or by the CSRC for any suspected violation of laws and regulations;
3. The Listed Company or its controlling shareholder or actual controller failed to fulfill the public commitments to investors in the last year;

4. The Listed Company or its controlling shareholder or actual controller committed a criminal crime of corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economic order, or any major illegal act that seriously harms the interests of the Listed Company, investors' lawful rights and interests, or public interest in the last three years.

(iii) No circumstances prohibiting the issuance of Convertible Bonds as stipulated in Article 14 of the Registration Administrative Measures

Pursuant to the provisions of Article 14 of the Registration Administrative Measures, the Listed Company shall not issue Convertible Bonds under any of the following circumstances:

1. The Company violates the contract on the corporate bonds issued to the public or other debts, or has postponed the payment of the principal and interest, and such status still exists;
2. The Company changes the use of proceeds raised through public issuance of a corporate bond in violation of the Securities Law.

(iv) The use of proceeds raised by the Company complies with Articles 12 and 15 of the Registration Administrative Measures

Pursuant to the provisions of Article 12 of the Registration Administrative Measures, the use of proceeds raised by the Listed Company shall comply with the following provisions:

1. It complies with provisions of the national industrial policies and other laws and administrative regulations on environmental protection and land management;
2. Except for financial enterprises, the use of the proceeds shall not be held for financial investment, and shall not directly or indirectly invest in companies whose primary business is the trading of securities;
3. After the implementation of the fund-raising projects, there will be no connected transactions that constitute horizontal competition with and are evidently unfair to the controlling shareholders, actual controllers and other enterprises under their control that constitute a material adverse effect, or that seriously affect the independence of the Company's production and business operation.

Pursuant to the provisions of Article 15 of the Registration Administrative Measures, the use of proceeds raised by the Listed Company from its issuing Convertible Bonds shall comply with the provisions of Article 12 of these Measures, and shall not be used to make up for losses or for non-productive expenditures.

(v) The Issuance complies with the provisions of Article 40 of the Registration Administrative Measures

Pursuant to the provisions of Article 40 of the Registration Administrative Measures, the Listed Company shall raise funds rationally, determine the financing scale reasonably, and mainly invest funds raised in its main business.

(vi) The terms of the Issuance of Convertible Bonds comply with the provisions of Article 61 of the Registration Administrative Measures

Pursuant to the provisions of Article 61 of the Registration Administrative Measures, Convertible Bonds shall have such elements as term, face value, interest rate, rating, rights of bondholders, conversion price and adjustment principle, redemption and resale, and downward adjustment to conversion price, etc. The interest rate of the Convertible Bonds issued to non-specific investors shall be determined by the Listed Company and the lead underwriter through consultation in accordance with the law.

(vii) The conversion period of the Issuance complies with the provisions of Article 62 of the Registration Administrative Measures

Pursuant to the provisions of Article 62 of the Registration Administrative Measures, the Convertible Bonds may shall be converted into stocks of the Company six months from the date of completion of the issuance. The conversion period shall be determined by the Company based on the duration of the Convertible Bonds and the Company's financial status. It is at the option of a bondholder to convert bonds into stock, and a bondholder shall become a shareholder of the Listed Company on the next day after conversion.

(viii) The conversion price of the Issuance complies with the provisions of Article 64 of the Registration Administrative Measures

Pursuant to the provisions of Article 64 of the Registration Administrative Measures, the conversion price of the Convertible Bonds issued to non-specific investors shall not be lower than the average price of the Listed Company's stock trading during twenty trading days before the announcement of the Offering Document and the average price on the previous trading day.



**THE PLAN OF CGN POWER CO., LTD.
FOR THE ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS TO NON-SPECIFIC INVESTORS**

June 2024

STATEMENT OF THE COMPANY

1. The Company and all members of its Board hereby warrant that the information contained in the Plan is true, accurate and complete, and confirm that the Plan does not contain any false information, misleading statement or material omission, and the Company and all members of its Board shall be severally and jointly liable for its authenticity, accuracy and completeness of the contents contained in the Plan.
2. Upon the completion of the Issuance of A Share Convertible Corporate Bonds to non-specific investors, the Company shall assume the liability for any changes in its operation and revenue. Any investment risks arising from the Issuance of A Share Convertible Corporate Bonds to non-specific investors, shall be borne by the investors.
3. The Plan is the explanatory statement given by the Board on the Issuance of A Share Convertible Corporate Bonds to non-specific investors, and any statement contrary to the Plan constitutes misrepresentation.
4. Investors shall consult their stockbrokers, lawyers, professional accountants or other professional advisers if they are in doubt.
5. Matters mentioned in the Plan do not represent any substantive judgment, confirmation, approval or registration from the audit and registration authorities regarding the Issuance of A Share Convertible Corporate Bonds to non-specific investors. Effectiveness and completion of the matters relating to the Issuance of A Share Convertible Corporate Bonds to non-specific investors as contemplated in the Plan shall be subject to the approvals of the general meeting and the Shareholders' class meetings, the issuance and listing review of the Shenzhen Stock Exchange and the registration with the CSRC.

IMPORTANT NOTICE

1. Method of the issuance: the total amount of proceeds raised from the proposed Issuance of A Share Convertible Corporate Bonds will not exceed RMB4.9 billion (RMB4.9 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board or its authorized persons as authorized by the General Meeting and Shareholders' Class Meetings within the above range.

2. Whether related parties participate in the Issuance or not: the existing A Shareholders are entitled to the right to subscribe for the A Share Convertible Corporate Bonds under the Issuance in priority. The existing A Shareholders are entitled to surrender such rights. The actual number of preferential placement to the existing A Shareholders shall be determined by the Board or its authorized persons as authorized by the General Meeting and the Shareholders' Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance, and shall be disclosed in the announcement in relation to the Issuance of A Share Convertible Corporate Bonds. Such preferential placement will be subject to the Company Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or all applicable laws, regulations and rules of any other government or regulatory authority (including but not limited to the relevant rules and requirements of related party transactions).

DEFINITION

In the Plan, unless the context otherwise requires, the following expressions shall have the following meanings:

CGN Power, the issuer, the Company, Company	CGN Power Co., Ltd.* (中國廣核電力股份有限公司)
Plan	the plan of CGN Power Co., Ltd. for the Issuance of A Share Convertible Corporate Bonds to non-specific investors
Issuance	this issuance of A Share Convertible Corporate Bonds to non-specific investors to raise proceeds not exceeding RMB4.9 billion (RMB4.9 billion inclusive)
Convertible Bond(s)	convertible corporate bonds which can be converted into A Shares
General Meeting	general meeting of shareholders of CGN Power Co., Ltd.
Shareholders' Class Meeting	shareholders' class meeting of CGN Power Co., Ltd.
Board or Board of Directors	Board of Directors of CGN Power Co., Ltd.
Supervisory Committee	Supervisory Committee of CGN Power Co., Ltd.
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Articles of Association	Articles of Association of CGN Power Co., Ltd.
Administrative Measures on the Proceeds	Administrative Measures on the Proceeds of CGN Power Co., Ltd.
CSRC	China Securities Regulatory Commission
Shenzhen Stock Exchange	the Shenzhen Stock Exchange

A Share(s)	ordinary shares approved by the CSRC to be issued to domestic investors, which are listed on the domestic stock exchange, denominated in Renminbi, subscribed for and traded in Renminbi
Offering Document	the Offering Document on the Issuance of A Share Convertible Corporate Bonds to Non-specific Investors of CGN Power Co., Ltd.* (《中國廣核電力股份有限公司向不特定對象發行A股可轉換公司債券募集說明書》)
trading day(s)	normal trading days of the Shenzhen Stock Exchange
Reporting Period, the last three years and one period	the years 2021, 2022, 2023, and January to March 2024
RMB, RMB million, RMB billion	Unless otherwise specified, Renminbi yuan, million yuan or billion yuan

- Note:* 1. Unless otherwise specified, the financial data and financial indicators quoted in the Plan refer to the financial data in the consolidated financial statements and the financial indicators calculated on the basis of such financial data.
2. Unless otherwise specified, any discrepancies in the Plan between totals and sums of amounts listed therein are due to rounding.

**I. EXPLANATION OF THE ISSUANCE FULFILLING THE CONDITIONS FOR THE
ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-
SPECIFIC INVESTORS UNDER THE ADMINISTRATIVE MEASURES FOR THE
ISSUANCE AND REGISTRATION OF SECURITIES BY LISTED COMPANIES**

Pursuant to the relevant requirements of the laws, regulations and administrative regulations including the Company Law, the Securities Law and the Administrative Measures for the Issuance and Registration of Securities by Listed Companies, the Board has conducted careful review of the qualifications and conditions of the Company's application for the issuance of A Share Convertible Corporate Bonds to non-specific investors and believes that all the conditions of the Company meet the requirements of the current laws, regulations and regulatory documents in relation to the issuance of A Share Convertible Corporate Bonds to non-specific investors, and that it possesses the conditions for the issuance of A Share Convertible Corporate Bonds to non-specific investors.

II. OVERVIEW OF THE ISSUANCE**(i) Type of securities to be issued**

The type of the securities to be issued is convertible corporate bonds which can be converted into A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted in the future of the Company will be listed on the main board of the Shenzhen Stock Exchange.

(ii) Size of the Issuance

According to the requirements of relevant laws, regulations and regulatory documents and based on the financial position and investment plan of the Company, the total amount of proceeds raised from the proposed issuance of A Share Convertible Corporate Bonds will not exceed RMB4.9 billion (RMB4.9 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board or its authorized persons as authorized by the General Meeting and Shareholders' Class Meeting within the above range.

(iii) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(iv) Bonds term

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

(v) Coupon rate

The method for determination of coupon rate of the A Share Convertible Corporate Bonds under the Issuance and the final interest rate for the interest accrual year shall be determined by the Board or its authorized persons as authorized by the General Meeting and the Shareholders' Class Meetings through negotiation with the sponsor (the lead underwriter) in accordance with national policies and based on market conditions and the actual conditions of the Company prior to the Issuance.

(vi) Term and method of principal and interest payment

The interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal of the outstanding A Share Convertible Corporate Bonds shall be repaid together with the interest accrued for the previous year at maturity.

1. Calculation of annual interest

Interest accrued for interest accrual year (the "Annual Interest") refer to the interest accrued to an A Share Convertible Corporate Bondholder in each year on each anniversary of the date of Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by the holder.

The formula for calculating the Annual Interest is as follows: $I = B \times i$

I : denotes the Annual Interest;

B: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds under the Issuance held by an A Share Convertible Corporate Bondholder as at the record date for interest payment in an interest accrual year ("that year" or "each year"); and

i: denotes the coupon rate of the A Share Convertible Corporate Bonds under the Issuance of that year.

2. Method of interest payment

- (1) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis, accruing from the date of the issuance of A Share Convertible Corporate Bonds.
- (2) Interest payment date: the interest payment date is each anniversary date of the date of Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first business day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date shall be an interest accrual year. Matters in relation to interest and the ownership of share dividend in the year of conversion shall be determined by the Board according to relevant laws, regulations and provisions of the Shenzhen Stock Exchange.
- (3) Record date for interest payment: the record date for interest payment in each year shall be the last trading day preceding the interest payment date. The Company shall pay the interest accrued in that year within five trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest accrual years to the Bondholders who have applied to convert their A Share Convertible Corporate Bonds into the A Shares on or before the record date for interest payment.
- (4) Tax payable on the interest income of A Share Convertible Corporate Bondholders under the Issuance shall be borne by such Bondholder.

(vii) Guarantees

No guarantee is provided for the issuance of A Share Convertible Corporate Bonds.

(viii) Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

(ix) Determination and adjustment of the Conversion Price A**1. Basis for determining the initial Conversion Price**

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares on the immediately preceding trading day and shall not be lower than the latest audited net asset value per Share and par value of the Shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the General Meeting and the Shareholders' Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions and the actual conditions of the Company prior to the Issuance.

The average trading price of A Shares for the immediately preceding 20 trading days = total trading amount of A Shares of the Company for the immediately preceding 20 trading days/total trading volume of A Shares of the Company for such 20 trading days; the average trading price of A Shares for the immediately preceding trading day = total trading amount of A Shares of the Company for the immediately preceding trading day/total trading volume of A Shares of the Company for such trading day.

2. Method of adjustments and calculation formula to the Conversion Price

The Conversion Price will be adjusted according to the following formula (rounded off to two decimal places) upon the Issuance in case of changes in the Shares due to certain events, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends:

Distribution of bonus share or conversion or increase of share capital: $P_1 = P_0 / (1 + n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k) / (1 + k)$;

The above two events occurring concurrently: $P_1 = (P_0 + A \times k) / (1 + n + k)$;

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occurring concurrently: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$.

In which, P_1 : denotes the adjusted Conversion Price; P_0 : denotes the Conversion Price before adjustment; n : denotes the rate of distribution of bonus share or conversion or increase of share capital; A : denotes the price of issuance of new shares or rights issue; k : denotes the rate of issuance of new shares or rights issue; D : denotes the cash dividend per Share.

Upon occurrence of any of the abovementioned changes in the Shares and/or Shareholder's interests, the Company shall adjust the Conversion Price based on order of occurrence, and publish an announcement in relation to the adjustment of the Conversion Price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). Such announcement shall be also published at the market of Hong Kong in accordance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited and the Articles of Association (if necessary). If the Conversion Price adjustment date is on or after the date on which an A Share Convertible Corporate Bondholder applies for the conversion but before the registration date of the A Shares to be issued upon conversion, such conversion shall be executed based on the Conversion Price adjusted by the Company.

In the event that the creditor's interests or the interests derived from share conversion of the A Share Convertible Corporate Bondholders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the Conversion Price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the A Share Convertible Corporate Bondholders. The details of adjustment to Conversion Price and its implementation measures shall be determined in accordance with relevant prevailing PRC laws, regulations and the relevant requirements of the securities regulatory authorities.

(x) Terms of downward adjustment to the Conversion Price

1. Authorization and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the general meeting and the class meetings for their consideration and voting.

The abovementioned proposal is subject to approval of more than two-thirds of Shareholders with voting rights who attend the general meeting and the class meetings, respectively. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such general meeting and the class meetings. The adjusted Conversion Price shall be no less than the higher of the average trading price of the A Shares

for 20 trading days immediately preceding the date of such a general meeting and the class meetings and the average trading price of the A Shares on the trading day immediately preceding the date of such a general meeting and class meetings. In addition, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value of the Share.

In the event of an adjustment to the Conversion Price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

2. Procedures of adjustment

In the event that the Company decides to adjust the Conversion Price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall disclose information including the magnitude of the adjustment, the record date of shares, the suspension period of share conversion, if necessary, and other relevant information. Such announcement shall be also published at the market of Hong Kong in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association if necessary. Application for conversion at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be executed based on the adjusted Conversion Price.

(xi) Method for determining the number of A Shares for conversion and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share

Where an A Share Convertible Corporate Bondholder applies for the conversion during the conversion period under the Issuance, the formula for calculating the number of A Shares to be issued upon conversion is as below: $Q = V \div P$, in which:

Q: denotes the number of A Shares to be converted with any fractional A Share to be rounded down to the nearest whole number;

V: denotes the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which A Share Convertible Corporate Bondholder applies for conversion; and

P: denotes the prevailing Conversion Price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the A Share Convertible Corporate Bondholder applies for the conversion. Where the remaining balance of the A Share Convertible Corporate Bonds is insufficient to be converted into one A Share, within five trading days from the date of conversion by the A Share Convertible Corporate Bondholders, the Company shall pay the Bondholders in cash an amount equal to the par value of such A Share Convertible Corporate Bonds and the accrued interest thereof for current period in accordance with the relevant requirements of the Shenzhen Stock Exchange, the securities registration authority and other authorities.

(xii) Terms of redemption

1. Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds under the Issuance, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. The specific redemption price shall be determined by the Board or its authorized persons as authorized by the General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions upon the issuance.

2. Terms of conditional redemption

During the conversion period of the A Share Convertible Corporate Bonds under the Issuance, in the event of any of the following two circumstances, the Board or its authorized persons as authorized by the General Meeting and the Class Meetings shall have the right to redeem the whole or part of the outstanding A Share Convertible Corporate Bonds, at a price equal to the nominal value of the Convertible Bonds plus the then accrued interest:

- (1) The closing prices of A Shares of the Company during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing Conversion Price.
- (2) The total par value of the outstanding A Share Convertible Corporate Bonds under the Issuance is lower than RMB30 million.

Formula for calculating the accrued interest for the current period is: $I_A = B \times i \times t / 365$

I_A : denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds to be redeemed held by Bondholders under the Issuance;

i: denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year; and

t: denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

The redemption period of the Convertible Bonds is the same as the conversion period, i.e. from the first trading day upon the expiry of six months from the completion of the Issuance to the maturity date of the Convertible Corporate Bonds.

In the event that an adjustment to the Conversion Price is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

(xiii) Terms of sale back

1. *Terms of conditional sale back*

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing Conversion Price, the A Share Convertible Corporate Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest. For the calculation of interest accrued for the current period, please refer to (xii) Terms of redemption.

In the event that an adjustment to the Conversion Price is made due to distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue, distribution of cash dividends during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the Conversion Price, the aforesaid “30 consecutive trading days” shall be re-counted from the first trading day following the adjustment to the Conversion Price.

The A Share Convertible Corporate Bondholders may exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. Where the sale back conditions are initially satisfied and the A Share Convertible Corporate Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, no sale back rights may be exercised during such interest accrual years. The A Share Convertible Corporate Bondholders are not allowed to exercise part of their sale back rights for multiple times.

2. *Additional terms of sale back*

Where the actual use of the proceeds raised from A Share Convertible Corporate Bonds under the Issuance significantly differs from the undertakings of the use of proceeds set out by the Company in the Offering Document, and such difference is considered by the CSRC and the Shenzhen Stock Exchange as a change in the use of proceeds, the A Share Convertible Corporate Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus the then accrued interest. Subject to additional condition of sale back, the Bondholders may sell their Convertible Bonds back to the Company during the additional sale back declaration period as announced by the Company. If the Bondholders do not exercise their sale back rights during such period, no such right may be exercised. For the calculation of interest accrued for the current period, please refer to (xii) Terms of redemption.

(xiv) Entitlement to dividend in the year of conversion

The new A Shares to be issued upon the conversion of A Share Convertible Corporate Bonds under the Issuance shall rank pari passu with all the existing A Shares, and all existing A Shareholders (including those who become Shareholders by virtue of the conversion of the A Share Convertible Corporate Bonds) whose names are recorded on the register of members of the Company on the record date for dividend distribution shall be entitled to receive the dividend of that period and enjoy equal rights and interests.

(xv) Method of the Issuance and target subscribers

The specific method of the Issuance of A Share Convertible Corporate Bonds shall be determined by the Board or its authorized as authorized by the General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance.

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch (excluding those prohibited by the PRC laws and regulations).

(xvi) Subscription arrangement for the existing A Shareholders

The existing A Shareholders are entitled to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders shall be entitled to surrender such pre-emptive rights. The proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorized person as authorized by the General Meeting and the Class Meetings through negotiation with the sponsors (the lead underwriter) based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds. The right to subscribe in priority is subject to the Company Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related-party transactions).

The remaining A Share Convertible Corporate Bonds which are not subject to the abovementioned pre-emptive rights of the existing A Shareholders and are not subscribed by the existing A Shareholders will be offered to institutional investors offline and/or issued by way of online pricing through the trading system of the Shenzhen Stock Exchange. Specific issuance method shall be determined by the Board or its authorized persons as authorized by the General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance. If there is still under-subscription, the shortfall shall be underwritten by the lead underwriters.

(xvii) Matters relating to the meetings of the Bondholders***1. Rights and obligations of Bondholders******(1) Rights of Bondholders:***

- ① to receive the agreed interest based on the amount of the Convertible Bonds held by them;
- ② to convert the Convertible Bonds held by the Bondholders into A Shares under the conditions stipulated in the Offering Document;
- ③ to exercise the right of sale back under the conditions stipulated in the Offering Document;
- ④ to transfer, grant or pledge the Convertible Bonds held by the Bondholders in accordance with the provisions of laws, administrative regulations and the Articles of Association;

- ⑤ to obtain relevant information in accordance with the provisions of laws and the Articles of Association;
- ⑥ to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and in the agreed manner as stipulated in the Offering Document;
- ⑦ to attend the meetings of the Bondholders, either in person or by proxy, and vote at the meetings in accordance with relevant stipulations under laws and administrative regulations, etc.; and
- ⑧ other rights as creditors of the Company ascribed by laws, administrative regulations and the Articles of Association.

(2) *Obligations of Bondholders*

- ① to comply with the relevant provisions of the terms of the Convertible Bonds to be issued by the Company;
- ② to pay the subscription amount based on the amount of Convertible Bonds subscribed by them;
- ③ to abide by the effective resolutions passed at the meeting of the Bondholders;
- ④ not to request the Company to repay the principal and interest of the Convertible Bonds in advance, except as required by laws, administrative regulations or as agreed in the Offering Document; and
- ⑤ to bear other obligations that shall be borne by the A Share Convertible Corporate Bondholders as required by laws, administrative regulations and the Articles of Association.

2. *Convening of the meetings of the Bondholders*

During the term of the Convertible Bonds, a meeting of the Bondholder shall be convened upon the occurrence of any of the followings:

- (1) proposed amendments on the material terms as set out in the Offering Document:
 - ① change of basic arrangements for bond repayment (including the reimbursement subject, term, adjustment mechanism for coupon rate);

- ② changes of credit enhancement or other debt repayment protection measures and implementation arrangements thereof (if any);
 - ③ changes of bond investor protection measures and implementation arrangements thereof;
 - ④ change of the use of proceeds as set out in the Offering Document;
 - ⑤ other significant changes in the arrangements for repayment of the principal and interest of the bonds and matters closely related to solvency.
- (2) proposed amendments on the rules of procedures of meeting of the Bondholders;
- (3) proposed dismissal, change of the trustee or change of the main terms of the bond entrusted management agreement (including but not limited to the scope of authorization of entrusted management, the prevention and resolution mechanism of conflict of interests and the liability for breach of contract closely related to the rights and interests of Bondholders, etc.);
- (4) to determine or authorize to take corresponding measures (including but not limited to negotiation with the Company and other related parties, initiation of, or involving in, arbitration or litigation proceedings, or other measures in favor of the protection of rights and interests of investors, etc.) under the following circumstances:
- ① the Company is unable or is expected to be unable to pay the principal and interests of Convertible Bonds when due;
 - ② the Company is unable or is expected to be unable to pay other interest-bearing liabilities other than the Convertible Bonds when due with the outstanding amount exceeds RMB50 million and exceeds 10% of the latest audited net assets of the parent company of the Company, which may lead to default of the Convertible Bonds;
 - ③ the Company undertakes a capital reduction (other than reduction of capital resulting from share repurchase for share incentive, fulfilment of performance compensation commitments, share repurchase necessary to safeguard the Company's value and Shareholders' equity, or cancellation of restricted share), merger, division, is ordered to suspend its operation, the license of which is suspended or revoked, is placed under entrustment, is dissolved, applies for bankruptcy or enters bankruptcy proceedings in accordance with the law;
 - ④ the solvency of the Company is severely uncertain due to the failure of the management of the Company to fulfill its responsibilities and duties;

- ⑤ the solvency of the Company is severely uncertain due to the transfer of assets or the waiver of creditor's rights or the provision of large-amount guarantees by the Company or its controlling shareholder or de facto controller at nil consideration or apparently unreasonable consideration;
 - ⑥ material adverse changes in credit enhancement entities, credit enhancement measures or other debt repayment safeguard measures (if any); or
 - ⑦ other matters which may significantly and materially affect the interests of the Bondholders.
- (5) proposed major debt restructuring plan by the Company; and
- (6) other circumstances as stipulated in laws, administrative regulations, departmental rules, regulatory documents or in the Offering Document or the rules, where a resolution shall be made at the meeting of the Bondholders.

The following institutions or persons may propose in writing to convene a meeting of Bondholders:

- (1) the Board;
- (2) the Bondholders individually or jointly holding 10% or more of the total par value of the outstanding Convertible Bonds.

(xviii) Use of proceeds

The total amount of proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.9 billion (including RMB4.9 billion). The net proceeds after deducting issuance expenses are intended to be used for the following purposes:

Unit: RMB0'000

No.	Project name	Total project investment	Proceeds to be invested
1	Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project	4,086,538.00	490,000.00
Total		<u>4,086,538.00</u>	<u>490,000.00</u>

Before receiving the proceeds from the Issuance of A Share Convertible Corporate Bonds, the Company will invest in the investment projects by internal funds based on the operating conditions and development plans. The funds will be replaced by the proceeds upon receipt. If the actual net proceeds from the Issuance are less than the total amount of proceeds to be invested in the investment projects mentioned above, the Board may make appropriate adjustments to the order and amount of investment of the proceeds within the scope of the above investment projects based on the actual needs of the investment projects. The shortfall will be funded by the Company.

(xix) Management and deposit for proceeds raised

The Company has formulated the Administrative Measures on the Proceeds. The proceeds from the Issuance of A Share Convertible Corporate Bonds will be deposited in a specific account approved by the Board. The account opening particulars will be determined by the Board or its authorized persons prior to the Issuance. The details of such specific account for proceeds will be disclosed in the announcement(s) in relation to the Issuance.

(xx) Rating

A credit rating agency with relevant qualifications will issue a credit rating report for the Issuance of A Share Convertible Corporate Bonds by the Company.

(xxi) Validity period of the Issuance plan

The validity period of the plan for the Issuance of A Share Convertible Corporate Bonds by the Company to non-specific investors shall be 12 months, with effect from the date on which the Issuance plan is considered and approved at the General Meeting and the Shareholders' Class Meeting.

III. FINANCIAL AND ACCOUNTING INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

(i) Consolidated financial statements for the last three years and one period

The financial reports of the Company for the year 2021, 2022 and 2023 were audited by KPMG Huazhen LLP, which has issued standard unqualified audit reports with report No. of “KPMG Huazhen Shen Zi No. 2202106”, “KPMG Huazhen Shen Zi No. 2301748” and “KPMG Huazhen Shen Zi No. 2403833”, respectively. The financial reports of the Company for January to March 2024 were unaudited.

1. Consolidated Balance Sheet*Unit: RMB0'000*

Item	March 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Current assets:				
Cash at bank and in hand	1,931,627.48	1,574,002.28	1,484,077.54	1,582,772.98
Bills receivable	1,741.20	62.42	360.55	170,726.15
Accounts receivable	1,145,581.85	1,182,658.85	1,493,756.11	1,085,181.60
Prepayments	2,090,679.31	1,895,235.46	1,750,679.09	1,737,206.50
Other receivables	7,709.44	7,256.57	33,492.75	5,332.02
Including: Dividends receivable	2,061.60	2,029.24	28,873.50	1,056.27
Inventories	1,940,003.98	2,057,251.44	1,777,545.83	1,524,847.57
Contract assets	293,692.98	306,954.64	286,087.35	334,675.10
Other current assets	222,567.16	255,320.91	224,491.78	355,873.16
Total current assets	7,633,603.39	7,278,742.58	7,050,491.01	6,796,615.08
Non-current assets:				
Debt investments	5,456.87	5,456.87	4,891.71	3,773.98
Long-term equity investments	1,515,185.61	1,449,390.33	1,365,720.45	1,245,740.50
Other investment in equity instruments	55,829.96	55,829.96	56,982.36	59,019.60
Investment properties	13,881.06	14,744.99	18,047.44	20,491.93
Fixed assets	24,477,656.04	24,668,358.67	23,276,351.61	23,978,181.42

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Item	March 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Construction in progress	5,866,506.95	5,632,389.97	6,829,940.54	5,756,162.12
Right-of-use assets	82,712.48	86,008.96	104,191.93	104,077.74
Intangible assets	535,273.12	544,584.71	520,532.03	520,283.11
Development costs	644,090.46	612,818.28	503,108.74	357,542.12
Goodwill	41,924.27	41,924.27	41,924.27	41,924.27
Long-term deferred expenses	169,407.83	167,322.78	156,360.79	152,744.44
Deferred tax assets	257,062.90	255,470.38	240,846.56	231,193.17
Other non-current assets	619,173.70	711,992.94	732,202.32	735,537.83
Total non-current assets	34,284,161.23	34,246,293.10	33,851,100.76	33,206,672.23
Total assets	41,917,764.62	41,525,035.68	40,901,591.77	40,003,287.31
Current liabilities:				
Short-term loans	1,777,616.28	1,425,461.42	1,193,048.20	1,637,499.38
Bills payable	518,430.98	683,262.60	509,422.77	354,977.16
Accounts payable	2,207,164.52	2,343,699.69	2,296,770.18	1,881,758.07
Receipts in advance	107.14	42.86	45.00	–
Contract liabilities	325,808.54	284,689.88	271,350.63	412,477.30
Employee benefits payable	7,039.00	5,748.77	5,728.97	5,584.94
Taxes payable	155,553.35	114,329.29	209,928.72	156,102.06
Other payables	373,049.18	470,647.46	675,658.30	407,560.99
Including: Dividends payable	164,495.87	–	113,878.22	80,878.43
Non-current liabilities due within one year	2,722,567.68	2,395,701.14	2,137,044.35	2,271,965.83
Other current liabilities	18,728.62	15,173.28	314,246.38	604,085.75
Total current liabilities	8,106,065.29	7,738,756.39	7,613,243.50	7,732,011.47
Non-current liabilities:				
Long-term loans	15,879,965.46	15,926,830.39	16,007,494.99	15,592,182.10
Bonds payable	–	249,731.61	449,206.67	598,804.16
Lease liabilities	46,681.04	48,282.75	65,129.15	69,217.29
Long-term employee benefits payable	5,010.72	6,530.28	6,078.35	19,543.31
Provisions	664,055.90	655,225.59	595,987.53	533,482.35
Deferred income	224,265.84	223,818.63	232,535.65	236,121.78
Deferred tax liabilities	148,921.09	145,465.34	138,620.73	126,895.17
Total non-current liabilities	16,968,900.06	17,255,884.61	17,495,053.08	17,176,246.15
Total liabilities	25,074,965.35	24,994,640.99	25,108,296.58	24,908,257.62
Shareholders' equity:				
Share capital	5,049,861.11	5,049,861.11	5,049,861.11	5,049,861.11
Capital reserve	1,079,944.95	1,079,433.73	1,080,781.08	1,079,041.33
Other comprehensive income	74,060.94	72,935.76	74,176.28	34,548.21
Specific reserve	20,238.04	10,442.06	20,013.94	24,937.15

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Surplus reserve	667,711.76	667,711.76	574,045.26	490,178.78
Retained earnings	4,803,621.81	4,443,205.09	3,903,752.68	3,415,647.27
Total equity attributable to shareholders of the parent company	11,695,438.61	11,323,589.52	10,702,630.35	10,094,213.85
Non-controlling interests	5,147,360.66	5,206,805.17	5,090,664.84	5,000,815.84
Total shareholders' equity	16,842,799.28	16,530,394.69	15,793,295.19	15,095,029.69
Total liabilities and shareholders' equity	41,917,764.62	41,525,035.68	40,901,591.77	40,003,287.31

2. Consolidated Income Statement
Unit: RMB0'000

Item	January to March 2024	2023	2022	2021
I. Total revenue	1,918,165.14	8,254,864.32	8,282,240.36	8,067,874.48
Including: Operating revenue	1,918,165.14	8,254,864.32	8,282,240.36	8,067,874.48
II. Total operating cost	1,379,336.42	6,452,364.19	6,701,614.81	6,516,507.57
Including: Operating cost	1,164,781.87	5,285,762.31	5,528,097.31	5,389,534.01
Tax and surcharges	19,603.65	87,527.03	80,602.59	61,024.56
Selling expenses	905.35	4,105.76	4,734.90	7,899.42
Administrative expenses	55,766.47	266,394.46	241,976.70	242,603.15
Research and development expenses	11,317.04	241,977.72	186,979.13	175,303.52
Finance costs	126,962.03	566,596.91	659,224.18	640,142.89
Including: Interest expenses	140,736.42	575,995.42	646,585.12	713,207.98
Interest income	7,050.74	27,488.82	19,470.45	15,371.42
Add: Other gains	32,009.25	130,549.44	145,068.94	169,894.50
Investment income (losses are denoted by "-")	48,679.93	160,420.15	167,808.45	140,677.69
Including: Income from investment in associates and joint ventures	48,679.93	156,793.03	160,131.34	140,406.29
Gains from changes in fair value (losses are denoted by "-")	-	-964.15	5,554.84	-10,324.55
Credit impairment losses (losses are denoted by "-")	13,851.94	816.97	-12,883.41	-1,459.55
Asset impairment losses (losses are denoted by "-")	-	-34,262.50	-2,240.10	-14,809.41
Gains from disposal of assets (losses are denoted by "-")	0.40	389.40	622.96	7.87

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Item	January to March 2024	2023	2022	2021
III. Operating profit (losses are denoted by “-”)	633,370.24	2,059,449.44	1,884,557.21	1,835,353.47
Add: Non-operating income	1,290.32	1,895.96	2,380.24	4,725.41
Less: Non-operating expenses	525.64	8,289.08	16,924.18	23,480.30
IV. Total profit (total losses are denoted by “-”)	634,134.92	2,053,056.32	1,870,013.27	1,816,598.58
Less: Income tax expenses	98,223.22	348,479.16	345,859.50	244,217.55
V. Net profit (net losses are denoted by “-”)	535,911.70	1,704,577.16	1,524,153.78	1,572,381.03
(i) Classified by continuity of operations				
1. Net profit from continuing operations (net losses are denoted by “-”)	535,911.70	1,704,577.16	1,524,153.78	1,572,381.03
2. Net profit from discontinued operations (net losses are denoted by “-”)	-	-	-	-
(ii) Classified by ownership				
1. Net profit attributable to shareholders of the parent company	360,416.72	1,072,457.01	996,379.31	976,417.47
2. Non-controlling interests	175,494.99	632,120.15	527,774.47	595,963.56
VI. Other comprehensive income, net of tax	1,478.83	-327.77	54,052.08	-9,520.59
Other comprehensive income attributable to shareholders of the parent company, net of tax	1,125.18	-1,240.52	39,628.07	-5,982.46
(i) Other comprehensive income that will not be reclassified to profit or loss	64.22	-3,999.77	-3,606.97	4,620.03
1. Change arising from remeasurement of defined benefit plan	-	-144.50	171.68	128.06
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method	64.22	188.53	660.82	-173.34
3. Change in fair value of investment in other equity instruments	-	-4,043.80	-4,439.46	4,665.31

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Item	January to March 2024	2023	2022	2021
(ii) Other comprehensive income that may be reclassified to profit or loss	1,060.96	2,759.26	43,235.04	-10,602.49
1. Other comprehensive income that can be transferred to profit or loss under the equity method	–	0.02	–	–
2. Translation differences arising from translation of foreign currency financial statements	1,060.96	2,759.24	43,235.04	-10,602.49
Other comprehensive income attributable to non-controlling interests, net of tax	353.65	912.75	14,424.01	-3,538.13
VII. Total comprehensive income	537,390.53	1,704,249.39	1,578,205.85	1,562,860.44
Total comprehensive income attributable to shareholders of the parent company	361,541.89	1,071,216.49	1,036,007.38	970,435.01
Total comprehensive income attributable to non-controlling interests	175,848.64	633,032.90	542,198.47	592,425.43
VIII. Earnings per share				
(i) Basic earnings per share	0.071	0.212	0.197	0.193
(ii) Diluted earnings per share	0.071	0.212	0.197	0.193

3. Consolidated Cash Flow Statement

Unit: RMB0'000

Item	January to March 2024	2023	2022	2021
I. Cash flows from operating activities:				
Cash received from sales of goods and rendering of services	2,284,177.13	9,516,818.82	8,886,367.34	8,937,169.42
Tax rebate received	28,597.02	130,003.57	148,423.98	169,476.25
Other cash received relating to operating activities	55,921.94	274,166.35	233,964.03	233,532.92
Sub-total of cash inflow from operating activities	2,368,696.08	9,920,988.74	9,268,755.36	9,340,178.59

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Item	January to March 2024	2023	2022	2021
Cash payments for goods purchased and services received	1,281,912.32	4,094,494.22	4,023,707.07	3,992,375.16
Cash payments to and on behalf of employees	279,510.25	984,987.84	984,449.94	930,547.03
Payments of various types of taxes	184,428.09	1,026,696.35	819,214.00	602,426.28
Other cash payments relating to operating activities	64,433.87	502,820.90	304,543.49	323,719.98
Sub-total of cash outflow from operating activities	1,810,284.52	6,608,999.31	6,131,914.51	5,849,068.46
Net cash flows from operating activities	558,411.56	3,311,989.43	3,136,840.85	3,491,110.13
II. Cash flows from investing activities:				
Cash received from investment income	–	166,756.82	91,499.12	89,871.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,544.60	1,361.84	5,107.48	766.75
Net cash received from disposal of subsidiaries and other business entities	–	–	5,105.43	–
Other cash received relating to investing activities	145,916.97	472,381.78	602,860.04	517,043.65
Sub-total of cash inflow from investing activities	148,461.57	640,500.45	704,572.08	607,681.66
Cash paid to purchase and construct fixed assets, intangible assets and other long-term assets	333,258.38	1,424,609.67	1,183,968.31	1,444,081.59
Cash paid for investments	21,853.75	73,440.22	86,975.52	17,529.28
Other cash paid relating to investing activities	42,540.60	393,711.93	871,564.80	602,962.09
Sub-total of cash outflow from investing activities	397,652.73	1,891,761.82	2,142,508.63	2,064,572.96
Net cash flow from investing activities	-249,191.16	-1,251,261.37	-1,437,936.56	-1,456,891.30

APPENDIX II**THE PLAN FOR THE ISSUANCE OF
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Item	January to March 2024	2023	2022	2021
III. Cash flows from financing activities:				
Cash receipts from capital contributions	–	8,535.00	40,437.86	102,089.58
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries	–	8,535.00	40,437.86	102,089.58
Cash received from borrowings	2,098,691.70	6,124,277.05	7,840,526.45	6,808,947.63
Other cash received relating to financing activities	–	100.25	114.81	–
Sub-total of cash inflow from financing activities	2,098,691.70	6,132,912.30	7,881,079.11	6,911,037.21
Cash repayments of borrowings	1,708,425.85	6,232,811.32	8,249,875.27	6,945,752.36
Cash payments for distribution of dividends or profits or settlement of interest expenses	231,198.34	1,742,951.61	1,682,861.89	1,682,292.54
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries	74,620.00	627,835.68	463,963.42	434,423.02
Other cash payments relating to financing activities	10,278.90	65,973.18	37,981.47	32,091.37
Sub-total of cash outflow from financing activities	1,949,903.09	8,041,736.11	9,970,718.63	8,660,136.28
Net cash flow from financing activities	148,788.61	-1,908,823.80	-2,089,639.52	-1,749,099.07
IV. Effect of foreign exchange rate changes on cash and cash equivalents	199.75	2,099.12	-10,688.32	149.74
V. Net increase in cash and cash equivalents	458,208.77	154,003.37	-401,423.55	285,269.51
Add: Opening balance of cash and cash equivalents	909,763.73	755,760.36	1,157,183.90	871,914.39
VI. Closing balance of cash and cash equivalents	1,367,972.49	909,763.73	755,760.36	1,157,183.90

(ii) Changes in the scope of consolidation of the consolidated statements**1. Scope of the consolidated statements**

As of March 31, 2024, the principal subsidiaries within the scope of the consolidated financial statements of the Company are as follows:

Subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding		Method of acquisition
				Direct	Indirect	
Guangdong Nuclear Power Investment Co., Ltd. (廣東核電投資有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	100.00%	–	Establishment
Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	–	75.00%	Establishment
Daya Bay Nuclear Power Operations and Management Co., Ltd. (大亞灣核電運營管理有限責任公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Operations and management of NPPs	–	87.50%	Establishment
CGN Nuclear Power Investment Co., Ltd. (中廣核核電投資有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	77.78%	–	Establishment
CGN Ninghe Investment Co., Ltd. (中廣核寧核投資有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Investment	56.52%	–	Establishment
Ling'ao Nuclear Power Co., Ltd. (嶺澳核電有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	70.00%	30.00%	Establishment
Lingdong Nuclear Power Co., Ltd. (嶺東核電有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power generation	25.00%	75.00%	Establishment
Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司)	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Nuclear power generation	34.00%	25.00%	Establishment
China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Provision of management, technology and consultancy services	100.00%	–	Establishment

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Subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding		Method of acquisition
				Direct	Indirect	
China Nuclear Power Technology Research Institute (中廣核研究院有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Nuclear power technology development	100.00%	–	Establishment
CGN Inspection Technology Co., Ltd. (中廣核檢測技術有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Testing and maintenance of power stations	–	100.00%	Establishment
Guangdong Daya Bay Nuclear Power Environment Protection Company Co., Ltd. (廣東大亞灣核電環保有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Environment protection relating to nuclear power	100.00%	–	Establishment
China Nuclear Power (Shenzhen) Operational Technology and Radiation Monitoring Co., Ltd. (中廣核(深圳)運營技術與輻射監測有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Radiation detection and evaluation, instrument verification	–	100.00%	Establishment
Suzhou Nuclear Power Research Institute Co., Ltd. (蘇州熱工研究院有限公司)	Suzhou, Jiangsu Province	Suzhou, Jiangsu Province	Nuclear power technology development	100.00%	–	Business combination not under same control
Fujian Ningde Nuclear Power Co., Ltd. (福建寧德核電有限公司)	Ningde, Fujian Province	Ningde, Fujian Province	Nuclear power generation	–	46.00%	Business combination not under same control
Taishan Nuclear Power Joint Venture Co., Ltd. (台山核電合營有限公司)	Taishan, Guangdong Province	Taishan, Guangdong Province	Nuclear power generation	12.50%	57.50%	Business combination under same control
Taishan Nuclear Power Industry Investment Co., Ltd. (台山核電產業投資有限公司)	Taishan, Guangdong Province	Taishan, Guangdong Province	Investment	60.00%	–	Business combination under same control
China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction	100.00%	–	Business combination under same control

Subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding		Method of acquisition
				Direct	Indirect	
China Nuclear Power Design Co., Ltd. (Shenzhen) (深圳中廣核工程設計有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Construction design	–	60.00%	Business combination under same control
CGN Import & Export Co., Ltd. (中廣核電進出口有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Import and export trade	–	100.00%	Business combination under same control
Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司)	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Nuclear power generation	–	61.00%	Business combination under same control
CGN Lufeng Nuclear Power Co., Ltd. (中廣核陸豐核電有限公司)	Shanwei, Guangdong Province	Shanwei, Guangdong Province	Nuclear power generation	100.00%	–	Business combination under same control
CGN Power Sales Co., Ltd. (中廣核電力銷售有限公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Sales of electricity	100.00%	–	Business combination under same control
CGN Ocean Power Co., Ltd. (中廣核海洋能源有限公司)	Huizhou, Guangdong Province	Huizhou, Guangdong Province	Development, construction and operations of offshore power stations	100.00%	–	Business combination under same control
Yangxi Nuclear Power Co., Ltd. (陽西核電有限公司)	Yangjiang, Guangdong Province	Yangjiang, Guangdong Province	Investment, construction and operations of NPPs	–	51.00%	Establishment
Guangxi Fangchenggang CGN Nuclear Power Industry Investment Co., Ltd. (廣西防城港中廣核電產業投資有限公司)	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Investment	60.00%	–	Establishment

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Subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding		Method of acquisition
				Direct	Indirect	
Sansha Advanced Energy Co., Ltd. (三沙先進能源有限公司)	Sansha, Hainan Province	Sansha, Hainan Province	Island energy development, smart grid investment, transmission and distribution, sales of electricity	-	60.00%	Establishment
Shenzhen Hepeng Project Supervision Co., Ltd. (深圳市核鵬工程監理有限責任公司)	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Engineering supervision, engineering management and technical support service	100.00%	-	Establishment
Fujian Ninghe Power Sales Co., Ltd. (福建寧核售電有限公司)	Fuzhou, Fujian Province	Fuzhou, Fujian Province	Power sales, electricity supply and power distribution network maintenance service	-	100.00%	Establishment
Guangxi Fanghe Power Sales Co., Ltd. (廣西防核售電有限公司)	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Electricity supply, power sales and power distribution network maintenance service	-	100.00%	Establishment
Shandong Zhaoyuan Nuclear Power Co., Ltd. (山東招遠核電有限公司)	Yantai, Shandong Province	Yantai, Shandong Province	Nuclear power generation	100.00%	-	Establishment
Guizhou Yuping Clean Thermal Energy Co., Ltd. (貴州玉屏清潔熱能有限公司)	Tongren, Guizhou Province	Tongren, Guizhou Province	Thermal power generation	100.00%	-	Establishment

Subsidiary	Principal place of operation	Place of registration	Business nature	Shareholding		Method of acquisition
				Direct	Indirect	
CGN Nanfang Technology Co., Ltd. (中廣核南方科技有限公司)	Zhongshan, Guangdong Province	Zhongshan, Guangdong Province	Nuclear power technology development	-	100.00%	Establishment
Guangxi Fangchenggang Third Nuclear Power Co., Ltd. (廣西防城港第三核電有限公司)	Fangchenggang, Guangxi	Fangchenggang, Guangxi	Nuclear power generation	61.00%	-	Establishment
CGN Clean Energy Technology (Shanghai) Co., Ltd. (中廣核清潔能源科技(上海)有限公司)	Shanghai	Shanghai	Nuclear power technology development	60.00%	-	Establishment

2. Changes in the scope of consolidation

During the Reporting Period, the changes in the scope of the consolidated financial statements of the Company are as follows:

Reporting Period	Company name	Change	Reason for change
2023	CGN Clean Energy Technology (Shanghai) Co., Ltd. (中廣核清潔能源科技(上海)有限公司)	Increase	Establishment
	Worldwide Engineering CGNPC AREVA Nuclear Co., Ltd. (中法國際核能工程有限公司)	Decrease	Cancellation
	Hebei Zhongzhuang Clean Thermal Energy Co., Ltd. (河北中莊清潔熱能有限公司)	Decrease	Cancellation
	China Daya Bay Nuclear Power Technology Research Institute Co., Ltd. (中國大亞灣核電技術研究院有限公司)	Decrease	Loss of control
2022	Guangxi Fangchenggang Third Nuclear Power Co., Ltd. (廣西防城港第三核電有限公司)	Increase	Establishment
	CGN Nanfang Technology Co., Ltd. (中廣核南方科技有限公司)	Increase	Establishment
	China Nuclear Power (Beijing) Simulation Technology Corporation Ltd. (中廣核(北京)仿真技術有限公司)	Decrease	Sale of equity
2021	CGN Hebei Thermal Power Co., Ltd. (中廣核河北熱電有限公司)	Decrease	Cancellation
	Guizhou Yuping Clean Thermal Energy Co., Ltd. (貴州玉屏清潔熱能有限公司)	Increase	Establishment

(iii) Key financial indicators of the Company for the last three years and one period**1. Key financial indicators**

During the Reporting Period, key financial indicators of the Company are as follows:

Item	March 31, 2024/January to March 2024	December 31, 2023/Year 2023	December 31, 2022/Year 2022	December 31, 2021/Year 2021
Current ratio (times)	94.17%	94.06%	92.61%	87.90%
Quick ratio (times)	70.24%	67.47%	69.26%	68.18%
Gearing ratio (combined basis)	59.82%	60.19%	61.39%	62.27%
Net asset per share (RMB/share)	2.32	2.24	2.12	2.00
Accounts receivable turnover (times)	6.59	6.17	6.42	8.22
Inventories turnover (times)	2.33	2.76	3.35	3.56
Cash flow from operating activities per share (RMB/share)	0.11	0.66	0.62	0.69
Net cash flow per share (RMB/share)	0.09	0.03	-0.08	0.06
Net profit attributable to owners of the parent company (RMB0'000)	360,416.72	1,072,457.01	996,379.31	976,417.47

Note:

1. All the above indicators are calculated on combined basis, and the same below;
2. Current ratio = Current assets/current liabilities;
3. Quick ratio = (Current assets-inventories)/current liabilities;
4. Gearing ratio = Total liabilities/total assets;
5. Net asset per share = Equity attributable to shareholders of the parent company at the end of the period/total number of shares at the end of the period;
6. Accounts receivable turnover = Current operating income/[(opening book value of accounts receivable + closing book value of accounts receivable)/2], data from January to March 2024 was annualized;
7. Inventories turnover = Current operating cost/[(opening book value of inventories + closing book value of inventories)/2], data from January to March 2024 was annualized;
8. Cash flow from operating activities per share = Net cash flow from current operating activities/total number of shares at the end of the period;
9. Net cash flow per share = Net increase in cash and cash equivalents for the current period/total number of shares at the end of the period.

2. *Return on net assets and earnings per share*

Pursuant to the Information Disclosure Compiling Rule No. 9 of Public Offering Company – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 Amendments) (CSRC Announcement [2010] No. 2), the Company’s return on net assets and earnings per share for the last three years and one period are as follows:

Profit for the Reporting Period	Reporting Period	Weighted average return on net assets	Earnings per share (RMB/share)	
			Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the parent company	January to March 2024	3.13%	0.071	0.071
	Year 2023	9.76%	0.212	0.212
	Year 2022	9.63%	0.197	0.197
	Year 2021	9.99%	0.193	0.193
Net profit attributable to shareholders of the parent company after deducting non-recurring gains or losses	January to March 2024	3.03%	0.069	0.069
	Year 2023	9.66%	0.210	0.210
	Year 2022	9.44%	0.193	0.193
	Year 2021	9.98%	0.193	0.193

Note: The above data is calculated using the following formula:

1. Return on net assets

$$\text{Weighted average return on net assets} = P / (E_0 + NP \div 2 + E_i \times M_i \div M_0 - E_j \times M_j \div M_0)$$

In which, P: denotes the net profit attributable to ordinary shareholders during the Reporting Period; NP: denotes the net profit attributable to ordinary shareholders during the Reporting Period; E₀: denotes the net assets at the beginning of the period attributable to ordinary shareholders; E_i: denotes the newly added net assets attributable to ordinary shareholders, such as new shares or debt-to-equity swaps during the Reporting Period; E_j: denotes the net assets reduction attributable to ordinary shareholders, such as repurchase or cash dividends during the Reporting Period; M₀: denotes the number of months in the Reporting Period; M_i: denotes the accumulated months from the following month of the new net assets attributable to ordinary shareholders to the end of the Reporting Period; M_j: denotes the accumulated months from the following month of the net assets reduction attributable to ordinary shareholders to the end of the Reporting Period.

“The net profit attributable to ordinary shareholders” is the amount after deducting “profit or loss attributable to minority interests”, “the net asset at the end of the period attributable to ordinary shareholders” excludes minority interests.

2. Earnings per share

① Basic earnings per share= $P_0 \div S$

$$S = S_0 + S_1 + S_2 \times M_1 \div M_0 - S_3 \times M_3 \div M_0 - S_k$$

In which, P_0 : denotes the net profit attributable to ordinary shareholders of the company or net profit attributable to ordinary shareholders after deducting non-recurring gains and losses; S : denotes the weighted average number of ordinary shares outstanding; S_0 : denotes the total number of shares at the beginning of the period; S_1 : denotes the increase in the number of shares due to the conversion of public reserve funds into share capital or stock dividends during the Reporting Period; S_2 : denotes increasing the number of shares due to the issuance of new shares or debt-to-equity swaps during the Reporting Period; S_3 : denotes the number of shares reduced due to repurchase during the Reporting Period; S_k : denotes the number of share compressing in the Reporting Period; M_0 : denotes the number of months in the Reporting Period; M_1 : denotes the accumulated months from the following month of increasing shares to the end of the Reporting Period; M_3 : denotes the accumulated months from the following month of decreasing shares to the end of the Reporting Period.

② Diluted earnings per share = $P_1 / (S_0 + S_1 + S_2 \times M_1 \div M_0 - S_3 \times M_3 \div M_0 - S_k + \text{Weighted average number of ordinary shares increased by warrants, share options, convertible bonds, etc.})$

In which, P_1 : denotes the net profit attributable to the ordinary shareholders of the company or the net profit attributable to the ordinary shareholders of the company after deducting non-recurring gains and losses, and considering the impact of diluted potential ordinary shares, adjusted according to the Accounting Standards for Business Enterprises and relevant regulations. In calculating the diluted earnings per share, the company should consider the effect of all diluted potential ordinary shares on the net profit attributable to the company’s ordinary shareholders or the net profit attributable to the company’s ordinary shareholders and the weighted average number of shares after deducting non-recurring gains and losses. Diluted earnings per share are included in descending order of dilution until the diluted earnings per share reaches a minimum.

(iv) Analysis of the financial position of the Company

1. Analysis of the assets composition

The assets composition of the Company at the end of each Reporting Period is as follows:

Unit: RMB0’000

Item	March 31, 2024		December 31, 2023		December 31, 2022		December 31, 2021	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Cash at bank and								
in hand	1,931,627.48	4.61%	1,574,002.28	3.79%	1,484,077.54	3.63%	1,582,772.98	3.96%
Bills receivable	1,741.20	0.00%	62.42	0.00%	360.55	0.00%	170,726.15	0.43%
Accounts receivable	1,145,581.85	2.73%	1,182,658.85	2.85%	1,493,756.11	3.65%	1,085,181.60	2.71%
Prepayments	2,090,679.31	4.99%	1,895,235.46	4.56%	1,750,679.09	4.28%	1,737,206.50	4.34%

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Item	March 31, 2024		December 31, 2023		December 31, 2022		December 31, 2021	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Other receivables	7,709.44	0.02%	7,256.57	0.02%	33,492.75	0.08%	5,332.02	0.01%
Inventories	1,940,003.98	4.63%	2,057,251.44	4.95%	1,777,545.83	4.35%	1,524,847.57	3.81%
Contract assets	293,692.98	0.70%	306,954.64	0.74%	286,087.35	0.70%	334,675.10	0.84%
Other current assets	222,567.16	0.53%	255,320.91	0.61%	224,491.78	0.55%	355,873.16	0.89%
Total current assets	7,633,603.39	18.21%	7,278,742.58	17.53%	7,050,491.01	17.24%	6,796,615.08	16.99%
Debt investments	5,456.87	0.01%	5,456.87	0.01%	4,891.71	0.01%	3,773.98	0.01%
Long-term equity investments	1,515,185.61	3.61%	1,449,390.33	3.49%	1,365,720.45	3.34%	1,245,740.50	3.11%
Other equity instrument investments	55,829.96	0.13%	55,829.96	0.13%	56,982.36	0.14%	59,019.60	0.15%
Investment properties	13,881.06	0.03%	14,744.99	0.04%	18,047.44	0.04%	20,491.93	0.05%
Fixed assets	24,477,656.04	58.39%	24,668,358.67	59.41%	23,276,351.61	56.91%	23,978,181.42	59.94%
Construction in progress	5,866,506.95	14.00%	5,632,389.97	13.56%	6,829,940.54	16.70%	5,756,162.12	14.39%
Right-of-use assets	82,712.48	0.20%	86,008.96	0.21%	104,191.93	0.25%	104,077.74	0.26%
Intangible assets	535,273.12	1.28%	544,584.71	1.31%	520,532.03	1.27%	520,283.11	1.30%
Development expenditure	644,090.46	1.54%	612,818.28	1.48%	503,108.74	1.23%	357,542.12	0.89%
Goodwill	41,924.27	0.10%	41,924.27	0.10%	41,924.27	0.10%	41,924.27	0.10%
Long-term prepaid expenses	169,407.83	0.40%	167,322.78	0.40%	156,360.79	0.38%	152,744.44	0.38%
Deferred tax assets	257,062.90	0.61%	255,470.38	0.62%	240,846.56	0.59%	231,193.17	0.58%
Other non-current assets	619,173.70	1.48%	711,992.94	1.71%	732,202.32	1.79%	735,537.83	1.84%
Total non-current assets	34,284,161.23	81.79%	34,246,293.10	82.47%	33,851,100.76	82.76%	33,206,672.23	83.01%
Total assets	41,917,764.62	100.00%	41,525,035.68	100.00%	40,901,591.77	100.00%	40,003,287.31	100.00%

At the end of each Reporting Period, the total assets of the Company amounted to RMB400,032,873,100, RMB409,015,917,700, RMB415,250,356,800 and RMB419,177,646,200, respectively. The Company maintained its capital investment in nuclear power projects in order to achieve installed capacity expansion, with the total assets showing a steady growth trend.

At the end of each Reporting Period, the total current assets of the Company amounted to RMB67,966,150,800, RMB70,504,910,100, RMB72,787,425,800 and RMB76,336,033,900, respectively, accounting for 16.99%, 17.24%, 17.53% and 18.21% of the total assets. During the Reporting Period, the Company's current assets were mainly cash at bank and in hand, accounts receivable, prepayments and inventories.

At the end of each Reporting Period, the total non-current assets of the Company amounted to RMB332,066,722,300, RMB338,511,007,600, RMB342,462,931,000 and RMB342,841,612,300, respectively, accounting for 83.01%, 82.76%, 82.47% and 81.79% of the total assets. The Company's non-current assets are mainly fixed assets and construction in progress. With the increase in the Company's nuclear power generation units under construction and operation, the total amount of non-current assets has shown a steady upward trend.

2. Analysis of the liabilities composition

The liabilities composition of the Company at the end of each Reporting Period is as follows:

Unit: RMB0'000

Item	March 31, 2024		December 31, 2023		December 31, 2022		December 31, 2021	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Short-term								
borrowings	1,777,616.28	7.09%	1,425,461.42	5.70%	1,193,048.20	4.75%	1,637,499.38	6.57%
Bills payable	518,430.98	2.07%	683,262.60	2.73%	509,422.77	2.03%	354,977.16	1.43%
Accounts payable	2,207,164.52	8.80%	2,343,699.69	9.38%	2,296,770.18	9.15%	1,881,758.07	7.55%
Receipts in advance	107.14	0.00%	42.86	0.00%	45.00	0.00%	-	-
Contract liabilities	325,808.54	1.30%	284,689.88	1.14%	271,350.63	1.08%	412,477.30	1.66%
Employee benefits payable	7,039.00	0.03%	5,748.77	0.02%	5,728.97	0.02%	5,584.94	0.02%
Taxes payable	155,553.35	0.62%	114,329.29	0.46%	209,928.72	0.84%	156,102.06	0.63%
Other payables	373,049.18	1.49%	470,647.46	1.88%	675,658.30	2.69%	407,560.99	1.64%
Non-current								
liabilities due within one year	2,722,567.68	10.86%	2,395,701.14	9.58%	2,137,044.35	8.51%	2,271,965.83	9.12%
Other current liabilities	18,728.62	0.07%	15,173.28	0.06%	314,246.38	1.25%	604,085.75	2.43%
Total current liabilities	8,106,065.29	32.33%	7,738,756.39	30.96%	7,613,243.50	30.32%	7,732,011.47	31.04%
Long-term								
borrowings	15,879,965.46	63.33%	15,926,830.39	63.72%	16,007,494.99	63.75%	15,592,182.10	62.60%

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Item	March 31, 2024		December 31, 2023		December 31, 2022		December 31, 2021	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Bonds payable	-	-	249,731.61	1.00%	449,206.67	1.79%	598,804.16	2.40%
Lease liabilities	46,681.04	0.19%	48,282.75	0.19%	65,129.15	0.26%	69,217.29	0.28%
Long-term								
employee benefits								
payable	5,010.72	0.02%	6,530.28	0.03%	6,078.35	0.02%	19,543.31	0.08%
Provisions	664,055.90	2.65%	655,225.59	2.62%	595,987.53	2.37%	533,482.35	2.14%
Deferred income	224,265.84	0.89%	223,818.63	0.90%	232,535.65	0.93%	236,121.78	0.95%
Deferred tax								
liabilities	148,921.09	0.59%	145,465.34	0.58%	138,620.73	0.55%	126,895.17	0.51%
Total non-current								
liabilities	16,968,900.06	67.67%	17,255,884.61	69.04%	17,495,053.08	69.68%	17,176,246.15	68.96%
Total liabilities	25,074,965.35	100.00%	24,994,640.99	100.00%	25,108,296.58	100.00%	24,908,257.62	100.00%

At the end of each Reporting Period, the total liabilities of the Company amounted to RMB249,082,576,200, RMB251,082,965,800, RMB249,946,409,900 and RMB250,749,653,500, respectively, which basically remained stable, and mainly comprised long-term borrowings, non-current liabilities due within one year, short-term borrowings and accounts payable.

At the end of each Reporting Period, the current liabilities of the Company amounted to RMB77,320,114,700, RMB76,132,435,000, RMB77,387,563,900 and RMB81,060,652,900, respectively, accounting for 31.04%, 30.32%, 30.96% and 32.33% of the total liabilities, which were mainly short-term borrowings, accounts payable and non-current liabilities due within one year.

At the end of each Reporting Period, the non-current liabilities of the Company amounted to RMB171,762,461,500, RMB174,950,530,800, RMB172,558,846,100 and RMB169,689,000,600, respectively, accounting for 68.96%, 69.68%, 69.04% and 67.67% of the total liabilities, which were mainly comprised of long-term borrowings, and the amount and proportion of non-current liabilities remained relatively stable as a whole.

3. *Analysis of the solvency*

During the Reporting Period, major indicators on the solvency of the Company are shown in the table below:

Item	March 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Current ratio (times)	94.17%	94.06%	92.61%	87.90%
Quick ratio (times)	70.24%	67.47%	69.26%	68.18%
Gearing ratio (combined)	59.82%	60.19%	61.39%	62.27%

At the end of each Reporting Period, the current ratio of the Company was 87.90%, 92.61%, 94.06% and 94.17%, respectively, and quick ratio was 68.18%, 69.26%, 67.47% and 70.24%, respectively. At the end of 2022, the current ratio and quick ratio of the Company both increased, mainly due to the decrease in short-term borrowings and the increase in cash at bank and in hand and accounts receivable. At the end of 2023, the increase in current ratio was mainly due to the increase in nuclear fuel procurement and the increase in nuclear fuel and spare parts inventory after Fangchenggang Unit 3 was put into commercial operation. The decrease in quick ratio was mainly due to the increase in short-term borrowings and the decrease in accounts receivable. At the end of March 2024, the current ratio and quick ratio both increased compared to the end of the previous year, mainly due to the increase in cash at bank and in hand and prepayments, and the slight decrease in inventory.

At the end of each Reporting Period, the gearing ratio of the Company was 62.27%, 61.39%, 60.19% and 59.82%, respectively. The gearing ratio showed an overall downward trend, mainly due to the gradual increase in profitability of the Company as the nuclear power generating units were constructed on a rolling basis and put into commercial operation, and the scale of assets continued to increase, while the total liabilities remained relatively stable.

4. *Analysis of the operating ability*

During the Reporting Period, the relevant financial indicators of the Company's asset turnover capacity are as follows:

Item	January to March 2024	Year 2023	Year 2022	Year 2021
Accounts receivable turnover (times)	6.59	6.17	6.42	8.22
Inventories turnover (times)	2.33	2.76	3.35	3.56

Note:

1. Accounts receivable turnover = Current operating income / [(opening book value of accounts receivable + closing book value of accounts receivable) / 2], data from January to March 2024 was annualized;
2. Inventories turnover = Current operating cost / [(opening book value of inventories + closing book value of inventories) / 2], data from January to March 2024 was annualized;

During the Reporting Period, the accounts receivable turnover of the Company was 8.22, 6.42, 6.17 and 6.59, respectively, mainly due to the increase in accounts receivable as a result of increase in engineering business income, and longer age of accounts, which leads to a gradual decline trend in accounts receivable turnover from 2021 to 2023. From January to March 2024, the accounts receivable turnover slightly increased, mainly due to the increase in the use of bills for payment by customers in sales of goods and service provision businesses, resulting in the decrease in the size of accounts receivable as at the end of March 2024.

During the Reporting Period, inventories turnover of the Company was 3.56, 3.35, 2.76 and 2.33, respectively, showing an overall downward trend, mainly due to (1) the increase in nuclear fuel procurement year by year; (2) the increase in inventory of nuclear fuel and spare parts after Fangchenggang Unit 3 was put into commercial operation on March 25, 2023.

5. *Analysis of the profitability*

Unit: RMB0'000

Item	January to March 2024	Year 2023	Year 2022	Year 2021
Operating income	1,918,165.14	8,254,864.32	8,282,240.36	8,067,874.48
Operating profit	633,370.24	2,059,449.44	1,884,557.21	1,835,353.47
Total profit	634,134.92	2,053,056.32	1,870,013.27	1,816,598.58
Net profit	535,911.70	1,704,577.16	1,524,153.78	1,572,381.03
Net profit attributable to shareholders of the parent company	360,416.72	1,072,457.01	996,379.31	976,417.47

The principal business of the Company is construction, operation and management of nuclear power station, sales of power generated by those nuclear power stations, as well as design and scientific research for organizing the development of nuclear power stations. During the Reporting Period, the Company maintained the momentum of a steady growth compared to the corresponding period, with operating income of RMB80,678,744,800, RMB82,822,403,600, RMB82,548,643,200 and RMB19,181,651,400, and net profit of the Company attributable to shareholders of the parent company of RMB9,764,174,700, RMB9,963,793,100, RMB10,724,570,100 and RMB3,604,167,200.

IV. USE OF THE PROCEEDS FROM THE ISSUANCE OF A SHARE CONVERTIBLE BONDS TO NON-SPECIFIC INVESTORS

The total amount of proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.9 billion (including RMB4.9 billion). The net proceeds after deducting issuance expenses are intended to be used for the following purposes:

Unit: RMB0'000

No.	Project name	Total project investment	Proceeds to be invested
1	Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project	4,086,538.00	490,000.00
Total		<u>4,086,538.00</u>	<u>490,000.00</u>

Before receiving the proceeds from the Issuance of A Share Convertible Corporate Bonds, the Company will invest in the investment projects by internal funds based on the operating conditions and development plans. The funds will be replaced by the proceeds upon receipt. If the actual net proceeds from the Issuance are less than the total amount of proceeds to be invested in the investment projects mentioned above, the Board may make appropriate adjustments to the order and amount of investment of the proceeds within the scope of the above investment projects based on the actual needs of the investment projects. The shortfall will be funded by the Company.

V. FORMULATION AND EXECUTION OF PROFIT DISTRIBUTION POLICY OF THE COMPANY

(i) Profit distribution policy of the Company

The main contents of the profit distribution policy in the Articles of Association are as follows:

“Article 213 The Company’s profit distribution shall attach importance to providing reasonable returns on investment for investors and give consideration to the sustainable development of the Company. Provided that the capital requirements for the normal production and operation of the Company are met, the Company implements positive, continuous and stable profit distribution policy detailed as follows:

(1) Method of profit distribution

The Company may distribute its profit by cash or shares or in combination of cash and shares or other means permitted by laws and regulations and shall distribute its profit by cash dividend as priority.

(2) Specific conditions and proportions of the Company's cash dividends

In the absence of the special circumstances that may have material adverse effect on the normal operation of the Company as determined by the board of directors and provided that the normal operation and long-term business development of the Company can be assured, where the Company's profit for the year and undistributed profit are positive, profit distribution shall be made by way of cash. The profit distributed in the form of cash dividends shall not be less than 30% of the net profit attributable to shareholders of the Company.

(3) Conditions upon which the Company may issue shares in lieu of dividends

The Company's profit distribution by way of issuance of shares in lieu of dividends shall be made on the condition of giving reasonable cash dividends to its shareholders and maintaining appropriate scale of capital stock taking full consideration into factors such as the growth of the Company and dilution on net asset per share.

(4) Differential cash dividend policy of the Company

The board of directors of the Company shall distinguish the following circumstances after taking into account various factors including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement and stipulate differentiated cash dividend policy:

1. Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits;
2. Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits;
3. Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits;

Where it is difficult to identify the development stage of the Company but there is substantial capital expenditure arrangement, dividend distribution may be dealt with in accordance with the preceding provisions.

(5) *Reviewing procedures of the profit distribution of the Company*

The profit distribution plan of the Company shall be formulated by the board of directors after taking into account, requirements of these Articles of Association, profit and funding needs of the Company. The supervisory committee of the Company shall review the profit distribution plan and issue written opinions; independent directors shall issue specific independent opinions in respect of the profit distribution plan.

Independent directors may collect the opinions of minority shareholders and propose the distribution plan and submit directly to the board of directors for reviewing.

Upon review and approval of the profit distribution plan, the board of directors shall propose the plan at the shareholders' general meeting for review and approval.

Before the profit distribution plan is reviewed at the shareholders' general meeting, the Company shall proactively communicate and exchange through various channels with shareholders, especially minority shareholders, to attentively obtain the opinions and requests of minority shareholders and give timely response to the issues that they are concerned with; when reviewing the profit distribution plan, the Company shall provide access to online voting for shareholders for voting purpose; the supervisory committee shall supervise the formulation and decision-making by the board of directors of the profit distribution plan of the Company.

(6) Where the Company meets the conditions of cash dividend but does not propose a scheme of cash dividend or the total cash profits to be allocated by the Company is less than 30% of the net profits attributable to the Shareholders of the Company, the board of directors shall make special explanations in respect of the specific reasons, exact use of the unallocated profits and relevant gains, the independent directors shall also issue independent opinions in this respect and the supervisors committee shall review and issue its opinion, all of which shall be disclosed through designated media by the Company.

(7) Where the Company is required to adjust the profit distribution policy (including cash dividend policy) in accordance with the operation of business, investment plans and the requirement for long term development, the adjusted profit distribution policy (including cash dividend policy) shall not be in violation of relevant laws and regulations, regulatory documents and relevant provisions under these Articles of Association. The reasons for the Company's adjustment in profit distribution policy (including cash dividend policy) shall be discussed and studied thoroughly by the board of directors and written report shall be issued and the independent directors and supervisors committee shall express a clear opinion in this regard. The proposal of the adjustment in profit distribution policy (including cash dividend policy) reviewed and approved by the Board shall be submitted to the Company's general meeting for reviewed and shall be approved by more than two thirds of the voting rights held by shareholders attending the meeting. The Company shall provide its shareholders with online voting channel for matters relating to adjustment in profit distribution policy (including cash dividend policy) which will be discussed and approved at the general meeting.

- (8) The Company shall disclose in detail the formulation and implementation of the cash dividend policy in its annual report and specify whether it is in compliance with the provisions of these Articles of Association or the requirements of the resolution of the general meeting, Whether the basis and ratio of the distribution are specific and clear, whether the relevant procedures and system for decision-making are sound, whether the independent directors have duly performed their duties and played their role, whether there are sufficient opportunities for the minority shareholders to express their views and requests, and whether their legitimate rights and interests are sufficiently protected, etc. For adjustments or changes of cash dividend policy, it is also required to explain in detail whether the conditions and procedures of adjustments or changes are compliant and transparent, etc.”

On May 26, 2021, the Company convened the 2020 AGM to consider and approve the Dividend Distribution Plan for the Coming Five Years (2021- 2025) (《未來五年(2021年-2025年)股東分紅回報規劃》), which agreed that on the premise of no major changes in the business, operating results and financial position of the Company, subject to the approval at the general meeting in the relevant year, the Company will maintain a reasonable increase in the dividend distribution ratio from 2021 to 2025 based on the dividend ratio in 2020 (42.25%).

(ii) Profit distribution of the Company in the past three years

1. Profit distribution plan in the past three years

The profit distribution plan of the Company for the year 2021 was considered at the General Meeting and Shareholders’ Class Meeting which was passed on May 27, 2022. The profit distribution plan of the Company for the year 2021 was as follows: the final dividend for the year 2021 will be distributed in cash to shareholders whose names appear on the register of members of the Company on the equity registration date on the basis of the total share capital on the equity registration date when the distribution plan was implemented. The cash dividend for the year 2021 shall be denominated and declared in RMB at RMB0.84 per 10 shares (tax inclusive). No bonus shares will be given and there is no increase of share capital from reserves in this equity distribution.

The profit distribution plan of the Company for the year 2022 was considered at the General Meeting and Shareholders’ Class Meeting which was passed on May 25, 2023. The profit distribution plan of the Company for the year 2022 was as follows: the final dividend for the year 2022 will be distributed in cash to shareholders whose names appear on the register of members of the Company on the equity registration date on the basis of the total share capital on the equity registration date when the distribution plan was implemented. The cash dividend for the year 2022 shall be denominated and declared in RMB at RMB0.87 per 10 shares (tax inclusive). No bonus shares will be given and there is no increase of share capital from reserves in this equity distribution.

The profit distribution plan of the Company for the year 2023 was considered at the General Meeting and Shareholders' Class Meeting which was passed on May 29, 2024. The profit distribution plan of the Company for the year 2023 was as follows: based on the Company's total share capital of 50,498,611,100 shares, a cash dividend of RMB0.94 per 10 shares (tax inclusive) was distributed to all shareholders, totaling RMB4,746,869,443.40. No bonus shares will be given and there is no increase of share capital from reserves in this equity distribution.

2. *Cash dividend distribution*

The cash dividend distribution of the Company in the last three years is as follows:

Unit: RMB0'000

Item	2023	2022	2021
Amount of cash dividends (tax inclusive)	474,686.94	439,337.92	424,188.33
Net profit attributable to the shareholders of ordinary shares of the listed Company in the consolidated statement during the dividend year	1,072,457.01	996,379.31	976,417.47
Proportion of amount of cash dividends to net profit attributable to the shareholders of ordinary shares of the listed Company in the consolidated statement	44.26%	44.09%	43.44%
Accumulated cash dividend in the last three years			1,338,213.19
Annual distributable profits in the last three years			1,015,084.60
Accumulated cash dividend in the last three years/annual distributable profits in the last three years			131.83%

Note: Calculated based on the retrospective financial data for 2021 and 2022.

The proportion of accumulated cash dividend of the Company in the last three years to the annual distributable profits in the last three years is 131.83% and the dividend distribution in the last three years complies with the relevant requirements of the Articles of Association.

(iii) Use of undistributed profit in the last three years

In the last three years, the accumulated undistributed profit of the net profit attributable to Shareholders of the parent company realised by the Company after provision for statutory surplus reserve and dividend distribution to the Shareholders was mainly used for the project construction and working capital of the Company to support the implementation of the business practices and development strategies of the Company.

The announcement is hereby given.

The Board of Directors of
CGN Power Co., Ltd.
June 21, 2024



CGN Power Co., Ltd.*

中國廣核電力股份有限公司

DEMONSTRATION AND ANALYSIS REPORT
REGARDING THE PLAN FOR ISSUANCE OF A
SHARE CONVERTIBLE CORPORATE BONDS
TO NON-SPECIFIC INVESTORS

June 2024

**APPENDIX III THE DEMONSTRATION AND ANALYSIS REPORT REGARDING
THE PLAN FOR THE ISSUANCE OF A SHARE
CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS**

DEFINITIONS

In this report, unless otherwise stated, the following abbreviations shall have the following meanings:

Issuer, Company, Listed Company	CGN Power Co., Ltd.* (中國廣核電力股份有限公司)
Report	Demonstration and Analysis Report regarding the Plan for Issuance of A Share Convertible Corporate Bonds to Non-specific Investors by CGN Power Co., Ltd. (《中國廣核電力股份有限公司向不特定對象發行A股可轉換公司債券方案論證分析報告》)
Issuance or Issuance of Convertible Bonds	Issuance of A Share Convertible Corporate Bonds to non-specific investors with an amount not exceeding RMB4.9 billion (RMB4.9 billion inclusive)
Convertible Bonds	the convertible corporate bonds that can be converted into A Shares
Shareholder's General Meeting	Shareholder's General Meeting of CGN Power Co., Ltd.
Class Meetings	Class Meetings of CGN Power Co., Ltd.
Board or Board of Directors	the board of Directors of CGN Power Co., Ltd.
Supervisory Committee	the supervisory committee of CGN Power Co., Ltd.
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Articles of Association	the Articles of Association of CGN Power Co., Ltd.
Offering Document	the Offering Document on Issuance of A Share Convertible Corporate Bonds to Non-specific Investors by CGN Power Co., Ltd.* (《中國廣核電力股份有限公司向不特定對象發行A股可轉換公司債券募集說明書》)

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Administrative Measures for Registration	the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行註冊管理辦法》)
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
A Shares	the RMB denominated ordinary share(s) issued to domestic investors and listed on a domestic stock exchange upon the approval of CSRC, which are subscribed and traded in RMB
Reporting Period, the last three years and one period	the years 2021, 2022 and 2023, and January to March 2024
RMB, RMB million, RMB billion	Unless otherwise specified, Renminbi yuan, million yuan or billion yuan

Note: unless otherwise indicated, the rounding off in this Report may result in the total amount of some figures being different from the last digits of the summation amount.

Section I Necessity for the Issuance and Selection of the Type of Securities

Based on its own actual situation and according to requirements under the Company Law, the Securities Law, the Administrative Measures for Registration and other relevant laws, regulations and normative documents, CGN Power Co., Ltd. proposes to raise fund by way of the issuance of A Share Convertible Corporate Bonds to non-specific investors.

I. TYPES OF SECURITIES TO BE ISSUED

The types of securities to be issued are convertible corporate bonds that can be converted into the Company's A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted in the future will be listed on the main board of SZSE.

II. NECESSITY AND FEASIBILITY OF THE IMPLEMENTATION OF THE ISSUANCE

The investment projects with proceeds from the Issuance of A Share Convertible Corporate Bonds to non-specific investors have been evaluated by the Company in a prudent manner and are in line with the national industrial policies and the needs of the development of the Company. The investment projects have strong profitability and good development prospects. The proceeds raised will deliver great economic benefits to the Company by helping

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optimize its financial structure, meeting its business expansion needs, further expanding its operating scale and comprehensive strength, improving the operating efficiency and core competitiveness, which will lay a solid foundation for the healthy and rapid development in the future, and thus are in the interests of the Company and Shareholders as a whole. For detailed analysis, please refer to the Feasibility Analysis Report on the Use of Proceeds from Issuance of A Share Convertible Corporate Bonds to Non-specific Investors by CGN Power Co., Ltd. published by the Company on the same day.

**Section II Appropriateness of the Scope of Selection, Quantity and Standard
of the Target of the Issuance**

**I. APPROPRIATENESS OF SCOPE OF SELECTION OF THE TARGET OF THE
ISSUANCE**

The specific method of the Issuance of A Share Convertible Corporate Bonds shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance. The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch (excluding those prohibited by the PRC laws and regulations).

The existing A Shareholders are entitled to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders shall be entitled to surrender such rights. The specific amount of preferential placement to be granted to the existing A Shareholders shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsors (the lead underwriter) based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the issuance of A Share Convertible Corporate Bonds. The right to subscribe in priority is subject to the Company Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related-party transactions).

The remaining A Share Convertible Corporate Bonds which are not subject to the priority in subscription granted to the existing A Shareholders and are not subscribed by the existing A Shareholders will be offered to institutional investors offline and/or issued by way of online pricing through the trading system of the SZSE. Specific issuance method shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance. If there is still under-subscription, the shortfall shall be underwritten by the lead underwriters.

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The scope of selection of the Issuance is in compliance with the requirements under relevant laws, regulations and normative documents of the CSRC and the SZSE, and is appropriate.

II. APPROPRIATENESS OF QUANTITY OF THE TARGET OF THE ISSUANCE

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch (excluding those prohibited by the PRC laws and regulations).

The quantity of target subscribers complies with the relevant requirements under the Administrative Measures for Registration and other relevant laws and regulations, and is appropriate.

III. APPROPRIATENESS OF STANDARD OF THE TARGET OF THE ISSUANCE

The targets subscribers of the issuance of A Share Convertible Corporate Bonds shall have certain risk identification and risk-taking capabilities, and corresponding financial strength.

The standard of target subscribers complies with the relevant requirements under the Administrative Measures for Registration and other relevant laws and regulations, and is appropriate.

**Section III Rationality of the Principles, Basis, Methods and Procedures
for the Pricing of the Issuance**

I. RATIONALITY OF PRINCIPLES OF THE PRICING OF THE ISSUANCE

The Company will determine the issuance period upon negotiation with the sponsor (the lead underwriter) subject to the review by the SZSE and the completion of registration with the CSRC.

The principles of pricing of the Issuance:

(i) Interest Rate of Bonds

The method for determination of coupon rate of the A Share Convertible Corporate Bonds to be issued and the final interest rate for the interest accrual year shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meetings and the Class Meetings through negotiation with the sponsor (the lead underwriter) in accordance with national policies and based on market conditions and the actual conditions of the Company prior to the Issuance.

(ii) Determination and Adjustment of the Conversion Price**1. Basis for determining the initial Conversion Price**

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A shares of the Company on the immediately preceding trading day and shall not be lower than the latest audited net asset value per share and par value of the shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meetings and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions and the actual conditions of the Company prior to the Issuance.

The average trading price of A Shares for the immediately preceding 20 trading days = total trading amount of A Shares for the immediately preceding 20 trading days/total trading volume of A Shares for such 20 trading days. The average trading price of A Shares for the immediately preceding trading day = total trading amount of A Shares for the immediately preceding trading day/total trading volume of A Shares of the Company for such trading day.

2. Method of adjustments and calculation formula to the Conversion Price

The Conversion Price will be adjusted according to the following formula (rounded off to two decimal places) upon the issuance in case of changes in the Shares due to certain events, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends:

Distribution of bonus share or conversion or increase of share capital: $P_1 = P_0 \div (1 + n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k) \div (1 + k)$;

The above two events occurring concurrently: $P_1 = (P_0 + A \times k) \div (1 + n + k)$;

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occurring concurrently: $P_1 = (P_0 - D + A \times k) \div (1 + n + k)$ °

In which, P_1 : denotes the adjusted Conversion Price; P_0 : denotes the Conversion Price before adjustment; n : denotes the rate of distribution of bonus share or conversion or increase of share capital; A : denotes the price of issuance of new shares or rights issue; k : denotes the rate of issuance of new shares or rights issue; D : denotes the cash dividend per Share.

Upon occurrence of any of the abovementioned changes in the Shares and/or Shareholder's interests, the Company shall adjust the Conversion Price based on order of occurrence, and publish an announcement in relation to the adjustment of the Conversion Price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). Such announcement shall be also published at the market of Hong Kong in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association (if necessary). If the Conversion Price adjustment date is on or after the date on which an A Share Convertible Corporate Bondholder applies for the conversion but before the registration date of the A Shares to be issued upon conversion, such conversion shall be executed based on the Conversion Price adjusted by the Company.

In the event that the creditor's interests or the interests derived from share conversion of the A Share Convertible Corporate Bondholders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the Conversion Price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the A Share Convertible Corporate Bondholders. The details of adjustment to Conversion Price and its implementation measures shall be determined in accordance with relevant prevailing PRC laws, regulations and the relevant requirements of the securities regulatory authorities.

II. RATIONALITY OF BASIS OF THE PRICING OF THE ISSUANCE

The initial Conversion Price of the A Share Convertible Bonds to be issued shall not be lower than the higher of the average trading price of A Shares of the Company for the 20 trading days immediately preceding the date of publication of the offering document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of the Company's A shares on the immediately preceding trading day, and shall not be less than the latest audited net asset value per share and par value of the shares. The actual initial Conversion Price shall be determined by the Board of the Company or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) prior to the Issuance based on the market conditions and actual conditions of the Company.

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The average trading price of A Shares for the immediately preceding 20 trading days = total trading amount of A Shares for the immediately preceding 20 trading days/total trading volume of A Shares of the Company for such 20 trading days. The average trading price of A Shares for the immediately preceding trading day = total trading amount of A Shares for the immediately preceding trading day/total trading volume of A Shares of the Company for such trading day.

The basis for the pricing of the Issuance complies with the relevant requirements under the Administrative Measures for Registration and other relevant laws and regulations, and is appropriate.

III. RATIONALITY OF THE METHODS AND PROCEDURES FOR THE PRICING OF THE ISSUANCE

In accordance with the relevant provisions of the Administrative Measures for Registration and other laws and regulations, the pricing methods and procedures for the issuance of A Share Convertible Corporate Bonds to non-specified investors will be disclosed by the Company in relevant announcements, after the Board meeting, on the qualified information disclosure media, and shall be submitted to the Company's Shareholder's General Meetings and Class Meetings for approval and consideration.

The pricing methods and procedures of the Issuance compile with the relevant requirements under the Administrative Measures for Registration and other relevant laws and regulations, and are reasonable.

In summary, the principles, basis, methods and procedures for the pricing of the Issuance meet the requirements of relevant laws and regulations, and are compliant and reasonable.

Section IV Feasibility of Method of the Issuance

The Company will raise funds through the issuance of A share convertible corporate bonds to non-specific investors, which complies with the relevant issuance conditions as stipulated in the Securities Law and the Administrative Measures for Registration.

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**I. THE ISSUANCE OF SECURITIES COMPLIES WITH THE CONDITIONS FOR
ISSUANCE OF CONVERTIBLE BONDS BY A LISTED COMPANY UNDER
ARTICLE 13 OF THE ADMINISTRATIVE MEASURES FOR REGISTRATION**

(i) It has a sound and well-operated organization

The Company has established a sound corporate operational and organizational structure in strict compliance with the requirements of the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents. The Company has a well-operated organization with distinct structure, clear responsibilities of each department and position and specific departmental responsibilities.

Therefore, the Company complies with the requirements of “(i) It has a sound and well-operated organization” under Article 13 of the Administration Measures for Registration.

**(ii) The average distributable profit in the last three years is sufficient to pay a year’s
interest on the corporate bonds**

According to the audit reports of the Company for the last three years, the net profit of the Company attributable to owners of the parent company for the year of 2021, 2022 and 2023 (before and after deducting non-recurring gains and losses, whichever is lower) amounted to RMB9,761.4885 million, RMB9,768.5848 million and RMB10,612.8508 million, respectively. The average distributable profit of the Company in the last three years is reasonably estimated to be sufficient to pay a year’s interest on the convertible corporate bonds, based on the proceeds of RMB4.9 billion from the issuance of A share Convertible Bonds to non-specific investors and with reference to the recent interest rate level in the convertible corporate bonds issuance market.

Therefore, the Company complies with the requirements of “(ii) The average distributable profit in the last three years sufficient to pay a year’s interest on the corporate bonds” under Article 13 of the Administration Measures for Registration.

(iii) It has a reasonable structure of assets and liabilities and normal cash flow

As of December 31, 2021, December 31, 2022, December 31, 2023 and March 31, 2024, the Company’s gearing ratio was 62.27%, 61.39%, 60.19% and 59.82%, respectively. The overall gearing ratio of the Company has showed a downward trend with a rational asset-liability structure.

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In 2021, 2022, 2023 and January to March 2024, the net cash flows from operating activities of the Company amounted to RMB34,911.1013 million, RMB31,368.4085 million, RMB33,119.8943 million and RMB5,584.1156 million, respectively. The cash flow of the Company is normal and sufficient to pay the principal and interest of convertible corporate bonds.

Upon the Issuance of Convertible Bonds of the Company, the cumulative balance of corporate bonds will not exceed 50% of the net assets as at the end of the latest period.

Therefore, the Company complies with the requirements of “(iii) It has a reasonable structure of assets and liabilities and normal cash flow” under Article 13 of the Administration Measures for Registration.

(iv) Where a company listed on the main board of the stock exchange issues convertible bonds to non-specific investors, it shall make a profit for the last three accounting years, with the weighted average return on equity for the last three accounting years being no less than 6% on average; net profit shall be that before or after deducting non-recurring gains and losses, whichever is lower

The weighted average return on equity of the Company for the latest three accounting years is as follows:

Items	2023	2022	2021
Weighted average return on equity based on net profit attributable to ordinary shareholders of the Company	9.76%	9.63%	9.99%
Weighted average return on equity based on net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	9.66%	9.44%	9.98%

The net profit of the Company after deducting non-recurring gains and losses was less than that before deducting non-recurring gains and losses in the last three years. From 2021 to 2023, the weighted average return on equity of the Company attributable to shareholders of the parent company (before or after deducting non-recurring gains and losses, whichever is lower) was 9.98%, 9.44% and 9.66%, respectively. The weighted average return on equity after deducting non-recurring gains and losses in the last three accounting years was 9.69% on average, which was not less than 6%.

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Therefore, the Company complies with the requirements of “(iv) Where a company listed on the main board of the stock exchange issues convertible bonds to non-specific investors, it shall make a profit for the last three accounting years, with the weighted average return on equity for the last three accounting years being no less than 6% on average; net profit shall be that before or after deducting non-recurring gains and losses, whichever is lower” under Article 13 of the Administration Measures for Registration.

II. THE ISSUANCE OF SECURITIES COMPLIES WITH THE CONDITIONS FOR ISSUANCE OF CONVERTIBLE BONDS BY A LISTED COMPANY TO NON-SPECIFIC INVESTORS UNDER ARTICLES 9(II) TO (V) AND ARTICLE 10 OF THE ADMINISTRATIVE MEASURES FOR REGISTRATION

(i) The existing directors, supervisors and senior management meet the qualification requirements of laws and administrative regulations

The existing directors, supervisors and senior management of the Company have obtained the relevant qualifications and can faithfully and diligently perform their duties. None of them has committed any act in violation of Articles 147 and 148 of the Company Law, or has been given any administrative penalty by the CSRC within the last 36 months, or has been publicly condemned by any stock exchange within the last 12 months.

Therefore, the Company complies with the requirements of “(ii) The existing directors, supervisors and senior management meet the qualification requirements of laws and administrative regulations” under Article 9 of the Administration Measures for Registration.

(ii) It has a comprehensive market-oriented business system and capability to operate independently, and there are no circumstances that would have a material adverse effect on continuing operations

The Company has independent personnel, assets, finance, organization and businesses, is capable of independent operation and management, has a comprehensive market-oriented business system and capability to operate independently, and there are no circumstances that would have a material adverse effect on continuing operations.

Therefore, the Company complies with the requirements of “(iii) It has a comprehensive market-oriented business system and capability to operate independently, and there are no circumstances that would have a material adverse effect on continuing operations” under Article 9 of the Administration Measures for Registration.

- (iii) It maintains standard accounting fundamentals, internal control system is sound and effectively implemented, financial statements are prepared and disclosed in compliance with the Accounting Standards for Business Enterprises and the relevant information disclosure rules, which have, in all material aspects, given a fair view of the financial position, operating results and cash flow of the listed company, and unqualified auditor’s reports have been issued in respect of the financial and accounting reports for the last three years**

The Company has established and effectively implemented a sound internal control system in strict compliance with the requirements of the Company Law, the Securities Law, the Administration Measures for Registration and other relevant laws and regulations, to reasonably ensure that operation and management comply with laws and regulations, assets are safe and financial reports and relevant information are true and complete to improve operating efficiency and effectiveness and promote the fulfillment of development strategies. The Company has established and improved the corporate governance structure, and formed a scientific and effective segregation of duties as well as a check-and-balance mechanism, thus guaranteeing the operation of governance structure in a standardized and efficient manner. The Company has a distinct organizational structure with clear responsibilities of each department and position. The Company has formulated specific financial management system to strictly regulate and control the organizational structure, work responsibilities, financial approval and other aspects of the financial department. The Company has implemented an internal audit system and has set up an audit department with full-time auditors to conduct internal audit and supervision of its financial revenues and expenditures and economic activities.

KPMG Huazhen LLP has audited the financial reports of the Company for 2021, 2022 and 2023, and issued standard and unqualified auditor’s reports (KPMG Huazhen Shen Zi No. 2202106, KPMG Huazhen Shen Zi No. 2301748 and KPMG Huazhen Shen Zi No. 2403833). The financial statements of the Company were prepared and disclosed in compliance with the Accounting Standards for Business Enterprises and the relevant information disclosure rules, which have, in all material aspects, given a fair view of the financial position, operating results and cash flow of the Listed Company.

Therefore, the Company complies with the requirements of “(iv) It maintains standard accounting fundamentals, internal control system is sound and effectively implemented, financial statements are prepared and disclosed in compliance with the Accounting Standards for Business Enterprises and the relevant information disclosure rules, which have, in all material aspects, given a fair view of the financial position, operating results and cash flow of the listed company, and unqualified auditor’s reports have been issued in respect of the financial and accounting reports for the last three years” under Article 9 of the Administration Measures for Registration.

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(iv) Except for financial enterprises, there are no financial investments of a large amount at the end of the latest period

The Company is not a financial enterprise. As of March 31, 2024, the Company did not have any financial investment of a large amount.

Therefore, the Company complies with the requirements of “(v) Except for financial enterprises, there are no financial investments of a large amount at the end of the latest period” under Article 9 of the Administration Measures for Registration.

(v) The issuer is not involved in any circumstances under which it is prohibited to issue Convertible Bonds to non-specific investors as stipulated in Article 10 of the Administration Measures for Registration

As of the date of the Report, the Company is not involved in any circumstances under which it is prohibited to issue shares to non-specific investors as stipulated in Article 10 of the Administration Measures for Registration, and the details are as follows:

1. The Company has not made unauthorized changes to use of previous proceeds without rectification or approval from the Shareholder’s General Meeting;
2. The Company and its incumbent directors, supervisors and senior management were not subject to administrative punishment by the CSRC in the last three years, or did not receive public censure from the stock exchanges in the latest year, or were not subject to investigation by judiciary authorities due to suspected criminal offence or investigation by the CSRC due to suspected violation of laws and regulations;
3. The Company and its controlling shareholder or de facto controller did not fail to perform their public commitments to investors in the latest year;
4. The Company and its controlling shareholder or de facto controller did not commit any corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy, or cause serious damage to the interests of the Listed Company and the legitimate rights and interests of investors as well as the public interest in the last three years.

Therefore, the Company complies with the requirements of Article 10 of the Administration Measures for Registration.

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III. THERE ARE NO CIRCUMSTANCES UNDER WHICH NO CONVERTIBLE BONDS CAN BE ISSUED AS STIPULATED IN ARTICLE 14 OF THE ADMINISTRATION MEASURES FOR REGISTRATION

The Company is not involved in any circumstances under which no convertible bonds can be issued as stipulated in Article 14 of the Administration Measures for Registration, and the details are as follows:

- (i) The facts of default or delay in payment of principal and interests on public issued corporate bonds or other debts still exist;
- (ii) Changes are made to the use of proceeds from publicly issued corporate bonds in violation of the provisions of the Securities Law.

Therefore, the Company complies with the requirements of Article 14 of the Administration Measures for Registration.

IV. THE USE OF PROCEEDS RAISED BY A LISTED COMPANY COMPLIES WITH ARTICLES 12 AND 15 OF THE ADMINISTRATION MEASURES FOR REGISTRATION

- (i) **It complies with the national industrial policies and relevant laws and administrative regulations on environmental protection and land management**

The proceeds raised from the Issuance will be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project, which does not belong to restricted or eliminated industry and is in compliance with the requirements of national industrial policies and laws and administrative regulations.

- (ii) **Except for financial enterprises, fund raised shall not be used for holding financial investments, and shall not be directly or indirectly invested in companies whose main business is the trading of marketable securities**

The proceeds from the Issuance will be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project, focusing on the relevant areas of the Company's main business, shall not be used for holding financial investments, and will not be directly or indirectly invested in companies whose main business is the trading of marketable securities, which complies with the above requirements.

(iii) Upon the implementation of a fund-raising project, there will be no new horizontal competition or obviously unfair related party transaction with the controlling shareholders, de facto controllers and other enterprises controlled by them that will cause significant adverse effects, or serious impact on the independence of the company's production and operation.

Upon the implementation of the fund-raising project, there will be no new horizontal competition or obviously unfair related party transaction of the Company with its controlling shareholders, de facto controllers and other enterprises controlled by them that will cause significant adverse effects, or serious impact on the independence of its production and operation, which complies with the above requirements.

(iv) Proceeds raised from the issuance of convertible bonds by a listed company shall not be used to cover losses and unproductive expenditure

The proceeds from the Issuance will be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project, and shall not be used to cover losses and unproductive expenditure, which complies with the above requirements.

As a result of the foregoing, the use of the Company's proceeds from the Issuance complies with the requirements of Articles 12 and 15 of the Administration Measures for Registration.

V. THE ISSUANCE COMPLIES WITH THE REQUIREMENTS OF "A LISTED COMPANY SHALL MAKE RATIONAL FINANCING AND REASONABLY DETERMINE THE SCALE OF FINANCING, AND PROCEEDS RAISED SHALL BE MAINLY INVESTED IN MAIN BUSINESS" UNDER ARTICLE 40 OF THE ADMINISTRATION MEASURES FOR REGISTRATION

To promote the business development, further enhance the competitiveness, and optimize the financial structure, the Company proposes to issue A share convertible corporate bonds to non-specific investors for a total amount of no more than RMB4.9 billion (RMB4.9 billion inclusive). The proceeds after deducting issuance expenses are intended to be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project, which is in line with the main business of the Company. The amount of proceeds and investment are reasonable.

Therefore, the Issuance complies with the requirements of "a listed company shall make rational financing and reasonably determine the scale of financing, and proceeds raised shall be mainly invested in main business" under Article 40 of the Administration Measures for Registration.

VI. THE TERMS OF THE ISSUANCE OF CONVERTIBLE BONDS COMPLIES WITH THE REQUIREMENTS OF ARTICLE 61 OF THE ADMINISTRATION MEASURES FOR REGISTRATION

Convertible Bonds shall have term, par value, interest rate, rating, rights of bondholders, conversion price and adjustment principle, redemption and sale back, downward adjustment to conversion price and other elements.

The A Share Convertible Bonds under the Issuance are in compliance with the aforesaid requirements, and the details are as follows:

(i) Term

The term of the A share convertible corporate bonds under the Issuance will be six years from the date of the issuance.

(ii) Par value

The A share convertible corporate bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(iii) Coupon rate

The method for determination of coupon rate of the A share convertible corporate bonds under the Issuance and the final interest rate for the interest accrual year shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance.

(iv) Rating

A credit rating agency with relevant qualifications will issue a credit rating report for the issuance of A share convertible corporate bonds by the Company.

(v) Rights of Bondholders

1. to receive the agreed interest in accordance with the amount of the Convertible Bonds held by them;
2. to convert the Convertible Bonds held by the Bondholders into A Shares under the conditions stipulated in the Offering Document;
3. to exercise the right of sale back under conditions stipulated in the Offering Document;
4. to transfer, grant or pledge the Convertible Bonds held by the Bondholders in accordance with the provisions of laws, administrative regulations and the Articles of Association;
5. to obtain relevant information in accordance with the provisions of laws and the Articles of Association;
6. to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and in the agreed manner as stipulated in the Offering Document;
7. to attend the meetings of the Bondholders, either in person or by proxy, and vote at the meetings in accordance with relevant stipulations under laws, administrative regulations, etc.; and
8. other rights of them as creditors of the Company ascribed by laws, rules and the Articles of Association.

(vi) Conversion Price

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A shares of the Company on the immediately preceding trading day and shall not be lower than the latest audited net asset value per share and par value of the shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions and the actual conditions of the Company prior to the issuance.

The average trading price of A Shares of the Company for the immediately preceding 20 trading days = total trading amount of A Shares of the Company for the immediately preceding 20 trading days/total trading volume of A Shares of the Company for such 20 trading days. The average trading price of A Shares of the Company for the immediately preceding trading day = total trading amount of A Shares of the Company for the immediately preceding trading day/total trading volume of A Shares of the Company for such trading day.

(vii) Principle and method of adjustments to the Conversion Price

The Conversion Price will be adjusted according to the following formula (rounded off to two decimal places) upon the Issuance in case of certain events, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends:

Distribution of bonus share or conversion or increase of share capital: $P_1 = P_0 \div (1 + n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k) \div (1 + k)$;

The above two events occurring concurrently: $P_1 = (P_0 + A \times k) \div (1 + n + k)$;

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occurring concurrently: $P_1 = (P_0 - D + A \times k) \div (1 + n + k)$ °

In which, P_1 : denotes the adjusted Conversion Price; P_0 : denotes the Conversion Price before adjustment; n : denotes the rate of distribution of bonus share or conversion or increase of share capital; A : denotes the price of issuance of new shares or rights issue; k : denotes the rate of issuance of new shares or rights issue; D : denotes the cash dividend per Share.

Upon occurrence of any of the abovementioned changes in the Shares and/or Shareholder's interests, the Company shall adjust the Conversion Price based on order of occurrence, and publish an announcement in relation to the adjustment of the Conversion Price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). Such announcement shall be also published at the market of Hong Kong in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association (if necessary). If the Conversion Price adjustment date is

on or after the date on which an A Share Convertible Corporate Bondholder applies for the conversion but before the registration date of the A Shares to be issued upon conversion, such conversion shall be executed based on the Conversion Price adjusted by the Company.

In the event that the creditor's interests or the interests derived from the share conversion of the A Share Convertible Corporate Bondholders under the Issuance are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the Conversion Price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the A Share Convertible Corporate Bondholders under the Issuance. The details of adjustment to Conversion Price and its implementation measures shall be determined in accordance with relevant prevailing PRC laws, regulations and the relevant requirements of the securities regulatory authorities.

(viii) Terms of redemption

1. *Terms of redemption upon maturity*

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds under the Issuance, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. The specific redemption price shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions upon the issuance.

2. *Terms of conditional redemption*

During the conversion period of the A Share Convertible Corporate Bonds under the Issuance, under any of the following two circumstances, the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings shall have the right to redeem the whole or part of the outstanding A Share Convertible Corporate Bonds, at a price equal to the nominal value of the Convertible Bonds plus the then accrued interest:

- (1) The closing prices of A Shares of the Company during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing Conversion Price;
- (2) The total par value of the outstanding A Share Convertible Corporate Bonds under the Issuance is lower than RMB30 million.

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Formula for calculating the accrued interest for the current period is: $I_A = B \times i \times t \div 365$

I_A : denotes the accrued interest for the current period;

B : denotes the aggregate nominal value of the A Share Convertible Corporate Bonds held by Bondholders under the Issuance;

i : denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year;

t : denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

The redemption period of the Convertible Bonds is the same as the conversion period, i.e. from the first trading day upon the expiry of six months from the completion of the Issuance to the maturity date of the Convertible Corporate Bonds.

In the event that an adjustment to the Conversion Price by the Company is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

(ix) Terms of sale back

1. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing Conversion Price, the A Share Convertible Corporate Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest. For the calculation of interest accrued for the current period, please refer to “(viii) Terms of redemption”.

In the event that an adjustment to the Conversion Price by the Company is made due to distribution of bonus share, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue, distribution of cash dividends during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion

Price before adjustment and the closing price of the A Shares on each such day, and in respect of the trading days after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the Conversion Price, the aforesaid “30 consecutive trading days” shall be re-counted at adjusted Conversion Price from the first trading day following the adjustment to the Conversion Price.

The A Share Convertible Corporate Bondholders may exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. Where the sale back conditions are initially satisfied and the A Share Convertible Corporate Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, no sale back rights may be exercised during such interest accrual years. No A Share Convertible Corporate Bondholders may exercise part of their sale back rights for multiple times.

2. *Additional terms of sale back*

Where the actual use of the proceeds raised from A Share Convertible Corporate Bonds under the Issuance significantly differs from the undertakings of the use of proceeds set out by the Company in the Offering Document, and such change is considered by the CSRC and the Shenzhen Stock Exchange as a deviation in the use of proceeds, the A Share Convertible Corporate Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus the then accrued interest. Subject to additional condition of sale back, the Bondholders may sell their Convertible Bonds back to the Company during the additional sale back declaration period as announced by the Company. If the Bondholders do not exercise their sale back rights during such period, no such right may be exercised. For the calculation of interest accrued for the current period, please refer to “(viii) Terms of redemption”.

(x) *Terms of downward adjustment to the Conversion Price*

1. *Authorization and magnitude of adjustment*

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the Shareholder’s General Meeting and the class meetings for consideration and approval.

The abovementioned proposal is subject to the approval of more than two-thirds of Shareholders with voting rights who attend the Shareholder's General Meeting and the Class Meetings, respectively. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such Shareholder's General Meeting and the Class Meeting. The adjusted Conversion Price shall be no less than the higher of the average trading price of the A Shares of the Company for 20 trading days immediately preceding the date of the Shareholder's General Meeting and the Class Meetings and the average trading price of the A Shares of the Company on the trading day immediately preceding the date of such meetings. In addition, the adjusted Conversion Price shall not be lower than the latest audited net asset value per share and the par value of the Share.

In the event of an adjustment to the Conversion Price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

2. *Procedures of adjustment*

In the event that the Company decides to adjust the Conversion Price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall disclose information including the magnitude of the adjustment, the registration date of shares, the suspension period of share conversion, if necessary, and other relevant information. Such announcement shall be also published in Hong Kong in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association (if necessary). Application for conversion at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be executed based on the adjusted Conversion Price.

In conclusion, the Issuance complies with the relevant provisions of Article 61 of the Administrative Measures for Registration.

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VII. THE CONVERSION PERIOD OF THE ISSUANCE COMPLIES WITH THE RELEVANT PROVISIONS OF ARTICLE 62 OF THE ADMINISTRATIVE MEASURES FOR REGISTRATION

The A Share Convertible Bonds of the Issuance may not be converted into the Company's A Shares until six months from the date of completion of the Issuance. The conversion period is determined by the Company in accordance with the duration of the Convertible Bonds and the financial position of the Company. The Bondholders have the option to convert or not to convert and become Shareholders of A Shares of the listed company on the day following the conversion.

The issuance plan stipulates that: "The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the Convertible Corporate Bonds".

The Bondholder's rights include the conversion of the Convertible Bonds held by them into the A Share of the Company pursuant to the agreed terms.

As a result, the Issuance complies with the relevant provisions of Article 62 of the Administrative Measures for Registration.

VIII. THE CONVERSION PRICE OF THE ISSUANCE COMPLIES WITH THE PROVISIONS OF ARTICLE 64 OF THE ADMINISTRATIVE MEASURES FOR REGISTRATION

The Conversion Price of the issuance of A Share Convertible Bonds to non-specific investors shall be no less than the average trading price of A Shares of the listed company for the 20 trading days immediately preceding the date of publication of the Offering Document and the average trading price of the immediately preceding trading day.

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall be no less than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and exdividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A shares of the Company on the immediately preceding trading day and shall be no less than the latest audited net asset value per share and par value of the shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the Shareholder's General Meeting and the Class Meetings through negotiation with the sponsor (the lead underwriter) based on the market conditions and the actual conditions of the Company prior to the issuance.

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The average trading price of A Shares of the Company for the immediately preceding 20 trading days = total trading amount of A Shares of the Company for the immediately preceding 20 trading days/total trading volume of A Shares of the Company for such 20 trading days. The average trading price of A Shares of the Company for the immediately preceding trading day = total trading amount of A Shares of the Company for the immediately preceding trading day/total trading volume of A Shares of the Company for such trading day.

As a result, the Issuance complies with the relevant provisions of Article 64 of the Administrative Measures for Registration.

In conclusion, the issuance of A Share Convertible Corporate Bonds of the Company complies with the relevant provisions of the Administrative Measures for Registration on the conditions for the issuance of A Share Convertible Bonds to non-specific investors.

IX. THE COMPANY DOES NOT BELONG TO THE SCOPE OF ENTERPRISES REQUIRING PUNISHMENT AS STIPULATED IN THE MEMORANDUM OF COOPERATION ON JOINT PUNISHMENT OF PERSONS SUBJECT TO UNTRUSTWORTHINESS (《關於對失信被執行人實施聯合懲戒的合作備忘錄》) AND THE MEMORANDUM OF COOPERATION ON JOINT PUNISHMENT OF UNTRUSTWORTHY ENTERPRISES OF THE CUSTOMS (《關於對海關失信企業實施聯合懲戒的合作備忘錄》) AND DOES NOT BELONG TO GENERAL UNTRUSTWORTHY ENTERPRISE AND CUSTOMS UNTRUSTWORTHY ENTERPRISE

After self-inspection, the Company does not belong to the scope of enterprises requiring punishment as stipulated in the Memorandum of Cooperation on Joint Punishment of Persons Subject to Untrustworthiness and the Memorandum of Cooperation on Joint Punishment of Untrustworthy Enterprises of the Customs and does not belong to general untrustworthy enterprise and customs untrustworthy enterprise.

Section V Fairness and Reasonableness of the Issuance Plan

The issuance plan has been approved by the Board of Directors of the Company after careful deliberation. The implementation of the issuance plan will be conducive to the expansion of the Company's business scale and the improvement of the Company's profitability and will be conducive to increasing the interests of all shareholders.

The plan for issuance of A Share Convertible Corporate Bonds to non-specific investors and relevant documents will be disclosed on the website of the Shenzhen Stock Exchange and the information disclosure media that meet the requirements of the CSRC and will be published in the Hong Kong market in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association to ensure the information rights of all shareholders.

The Company will convene a general meeting and a class meeting to consider the issuance plan. Shareholders will vote on the Company's issuance of A Share Convertible Corporate Bonds to non-specific investors in a fair manner with all shares having the same rights. The general meeting and the class meeting shall make resolutions on the matters relating to the issuance of A Share Convertible Corporate Bonds to non-specific investors. Such resolutions shall be passed by more than two-thirds of the voting rights held by shareholders present at the meeting in accordance with laws and regulations and the votes of minority shareholders shall be counted separately. Meanwhile, the shareholders of the Company may exercise their shareholders' rights through on-site or online voting.

In summary, the plan for issuance of A Share Convertible Corporate Bonds to non-specific investors has been approved by the Board of Directors of the Company after careful deliberation, the plan is in the interests of all shareholders, the issuance plan and relevant documents have gone through relevant disclosure procedures to ensure the shareholders' information rights, and the plan for issuance of A Share Convertible Corporate Bonds to non-specific investors is fair and reasonable as it will be subject to a fair vote by shareholders at a general meeting and a class meeting.

**Section VI The Dilutive Impact of the Issuance on Original Shareholders' Equity
Interests or Immediate Returns and Specific Remedial Measures and Undertakings of
Relevant Stakeholders as to the Implementation of Remedial Measures**

As a result of the issuance of A Share Convertible Corporate Bonds to non-specific investors, there is a risk that the immediate returns of the Company may be diluted. The Company intends to adopt a variety of measures to prevent the risk of dilution of immediate returns, so as to make up for shareholders' returns, facilitate the sustainable development of the Company and enhance the Company's capability to generate returns continuously. The Company intends to adopt the following remedial measures: speeding up the implementation of investment projects to realize the expected benefits of such projects as soon as possible; continuously improving corporate governance to provide institutional guarantee for the development of the Company; strengthening operation management and internal control to improve operation efficiency; reinforcing the management of raised funds to ensure the standardized and effective use of raised funds; and implementing profit distribution policies to optimize investment return mechanism.

The Board of Directors of the Company has carefully analyzed and reviewed the dilutive impact of the issuance on original shareholders' equity interests or immediate returns and the specific remedial measures. To ensure the implementation of the remedial measures, the directors, senior management and controlling shareholders of the Company have made relevant undertakings. For details of such undertakings, please refer to the Announcement of CGN Power Co., Ltd. on the Dilution of Immediate Returns Due to the Issuance of A Share Convertible Corporate Bonds to Non-specific Investors, the Adoption of Remedial Measures and the Undertakings of Relevant Stakeholders published by the Company.

**APPENDIX III THE DEMONSTRATION AND ANALYSIS REPORT REGARDING
THE PLAN FOR THE ISSUANCE OF A SHARE
CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS**

Section VII Conclusion

In summary, the Company's issuance of A Share Convertible Corporate Bonds to non-specific investors is necessary and feasible. The issuance plan is fair, reasonable and in compliance with the requirements of relevant laws and regulations. It will be conducive to improving the Company's sustainable profitability and comprehensive strengths and is in line with the Company's development strategy and in the interests of the Company and all shareholders.

The Board of Directors of CGN Power Co., Ltd.
June 21, 2024



**FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS
FROM ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS
TO NON-SPECIFIC INVESTORS
BY CGN POWER CO., LTD.**

June 2024

In order to promote business development of CGN Power Co., Ltd. (hereinafter referred to as “CGN Power” or the “Company”), further enhance its competitiveness and optimize its financial structure, the Company proposes to issue A Share Convertible Corporate Bonds to non-specific investors to raise proceeds. The feasibility analysis of the use of proceeds from the issuance of A Share Convertible Corporate Bonds to non-specific investors by the Board is as follows:

I. PLAN FOR USE OF PROCEEDS

The total amount of proceeds to be raised from the issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.9 billion (RMB4.9 billion inclusive). The net proceeds after deducting issuance expenses are intended to be used for the following purposes:

Unit: RMB0'000

No.	Names of investment projects	Total project investment	Proceeds raised to be invested
1	Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project	4,086,538.00	490,000.00
Total		<u>4,086,538.00</u>	<u>490,000.00</u>

Before receiving the proceeds from the issuance of A Share Convertible Corporate Bonds, the Company will first invest in the investment projects by internal funds based on the operating conditions and development plans. The funds will be replaced by the proceeds upon receipt. If the actual net proceeds from the issuance are lower than the total amount of proceeds to be invested in the investment projects mentioned above, the Board may make appropriate adjustments to the order and amount of investment of the proceeds within the scope of the above investment projects based on the actual needs of the investment projects. The shortfall shall be funded by the Company.

II. NECESSITY AND FEASIBILITY ANALYSIS OF THE USE OF THE PROCEEDS

(i) Overview of the project

Located in Jieshi Town, Lufeng City under the jurisdiction of Shanwei City, Guangdong Province, Guangdong Lufeng Nuclear Power Project is planned to build 6 sets of megawatt class PWR nuclear power units, which will be constructed in various phases under the same plan. Unit 5 and Unit 6 constitute the first phase of Guangdong Lufeng Nuclear Power Project by adopting HPR1000 nuclear power technology, with a capacity of 1,200MW for a single unit. CGN Lufeng Nuclear Power Co., Ltd. (中廣核陸豐核電有限公司), a wholly-owned subsidiary of CGN Power Co., Ltd., is in charge of investment, construction and safe operation of Unit 5 and Unit 6 of Guangdong Lufeng Nuclear Power Plant.

Each of Unit 5 and Unit 6 of Guangdong Lufeng Nuclear Power Plant had its first concrete date (FCD) of the nuclear reactor on September 8, 2022 and August 26, 2023, respectively, being the date of commencement of construction and the start of the civil construction phase, respectively. The above two units are preliminarily expected to officially commence operation in 2027 and 2028, respectively.

(ii) Necessity and feasibility of the project

1. Complying with the industrial policy of national energy development

Nuclear energy has become an important energy source for mankind and a mature clean energy to substitute fossil fuel for large-scale commercial use at present. Vigorously developing nuclear power in a safe and orderly manner is an important policy for China's energy development, which plays an irreplaceable strategic role in optimizing energy structure, ensuring energy security, promoting emission reduction and coping with climate change.

Nuclear energy is an important industry and a key area that has a bearing on national security and the lifeline of the national economy. Large-scale advanced pressurized water reactor nuclear power plants belong to the strategic emerging industry of the State. According to the valid provisions in the latest Industrial Structure Adjustment Guidance Catalogue (《產業結構調整指導目錄》) issued by the National Development and Reform Commission (hereinafter referred to as the "NDRC"), the construction of nuclear power plants is listed as the first category in the industrial structure adjustment – the encouraged category.

On February 18, 2019, the CPC Central Committee and the State Council agreed to promulgate the Outline of Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (《粵港澳大灣區發展規劃綱要》), which proposed vigorously developing green and low-carbon energy, expediting the use of natural gas and renewable energy, developing wind energy resources in an orderly manner, developing solar photovoltaic power generation and biomass energy in light of local conditions, developing nuclear power safely and efficiently, vigorously promoting the clean and efficient use of coal, controlling total coal consumption, and constantly increasing the proportion of clean energy.

On October 29, 2020, the Fifth Plenary Session of the 19th Central Committee of the Communist Party of China adopted the Suggestion of CPC Central Committee on the Fourteenth Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035 (《中共中央關於制定國民經濟和社會發展第十四個五年規劃和二〇三五年遠景目標的建議》), which proposed reducing the intensity of carbon emissions, supporting qualified localities to take the lead in reaching the peak of carbon emissions, and formulating an action plan for reaching the peak of carbon emissions by 2030.

In March 2022, the NDRC and the National Energy Administration suggested “actively and orderly promoting the construction of coastal nuclear power projects, maintaining a steady pace of construction, and rationally deploying new coastal nuclear power projects on the premise of ensured safety” in the Fourteenth Five-Year Plan for Modern Energy System (“十四五”現代能源體系規劃”).

On October 16, 2022, the Report to the 20th National Congress of the Communist Party of China listed nuclear power technology as one of the major achievements of China’s entry into the ranks of innovative countries and emphasized the development of nuclear power in the active, safe and orderly manner.

Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project adopted the third-generation nuclear power and large-scale advanced pressurized water reactor technology, HPR1000 nuclear power technology, and obtained the Approval of National Development and Reform Commission for Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project (《國家發展改革委關於核准廣東陸豐核電站5、6號機組項目的批復》 (Fa Gai Neng Yuan [2022] No. 738) in May 2022. Implementation of this investment project is in compliance with the national key strategic directions in respect of energy safety, carbon peaking and carbon neutrality, and is in line with the industry policy of national energy development.

2. Meeting the needs of power development demand in Guangdong

In the recent years, the economy and society of Guangdong Province have maintained fast and stable development, and the demand for electricity has also grown rapidly, and the electricity market has expanded rapidly. According to the forecasted results of power demand, the demand for electricity in Guangdong Province will continue to grow in the future.

According to the analysis of the power balance results in Guangdong Province, in terms of the annual maximum load and reserve capacity, if only the approved power projects in the province are considered, the power gap in Guangdong Province will reach more than 30,000 MW in 2035. In January 2020, the work report of Guangdong Provincial Government proposed to promote energy projects such as Huizhou Taipingling Nuclear Power, Lufeng Nuclear Power, Yangxi Power Plant and Dapu Power Plant Phase II. In June 2022, the key tasks of the Guangdong Province Carbon Peaking Implementation Plan issued by the Guangdong Provincial Government suggested developing nuclear power in a safe and orderly manner by active development of nuclear power with the efficient construction of the first phase of Huizhou Taipingling Nuclear Power project, and promotion for commencement of the construction of projects such as Lufeng Nuclear Station and Lianjiang Nuclear Power Plant on the premise of ensured safety. Construction of nuclear power projects was maintained at a steady pace, while the preliminary work for subsequent alternative projects was simultaneously facilitated with site protection of nuclear power plants steadily carried out. Therefore, in order to adapt to the growth of power demand in Guangdong Province and meet the safety and reliability of power supply, it is necessary to intensify efforts and speed to constructing power supply to fulfill the needs of the rapid development of power demand in the province. Nuclear power plants can provide safe and reliable clean energy to meet the growing demand for power in the Greater Bay Area.

3. Providing power support for safe operation of the power grid in Guangdong Province

The uneven development of regional economy in Guangdong Province has contributed to the huge gap in total economic output between the Pearl River Delta Region and the Eastern, Western and Northern Regions of Guangdong for a long time. The economy of the Pearl River Delta Region has developed by leaps and bounds. The Eastern, Western and Northern Regions of Guangdong consist of the east wing, the west wing and mountainous area of Northern Guangdong. The east wing and the west wing are on the eastern and western sides of the Pearl River Delta, where population resource and productivity are at a moderate level of development, while economic development in the northern mountainous area is relatively backward. The revitalization and development of the Eastern, Western and Northern Regions of Guangdong not only matters to their own development, but also triggers an urgent need for accelerating economic transformation and upgrading in the Pearl River Delta Region. The construction of large-scale power supply of Lufeng Nuclear Power Plant in Eastern Guangdong can guarantee strong power supply for economic development and effectively promote the revitalization and development of Eastern Guangdong. Meanwhile, under the context of the limited conditions for construction of internal power supply in Guangdong Province and the relatively large proportion of external power supply, the construction of Lufeng Nuclear Power Plant may increase the proportion of local power supply in Guangdong Power Grid, facilitating the reliability of power supply of the entire Guangdong Power Grid.

4. Creating conditions for decommissioning of small-scale thermal power generation to speed up the process of power structure optimization

According to the Action Plan for Winning the Blue Sky Defense War in Guangdong Province (2018-2020) (《廣東省打贏藍天保衛戰行動方案(2018-2020年)》) issued by the People's Government of Guangdong Province (Yue Fu [2018] No.128), new and expanded coal-fired and oil-fired thermal power units or enterprises' self-supplied coal-fired and oil-fired power plants are prohibited in the Pearl River Delta Region. In the medium to long term, as the operating life increases, the coal-fired power generating units will gradually reach the end of service life and will possibly be converted to gas-fired or relocated from the perspective of coal consumption control. From 2020 to 2035, it is estimated that more than 10,000 MW of coal-fired power generating units in Guangdong Province will gradually reach the end of service life and need to be upgraded or decommissioned.

Compared with thermal power generation, nuclear power plants have various advantages such as alleviating transportation burden, quietness and clean environment, which play a significant role in reducing emissions and promoting the optimization of Guangdong's power supply structure, and also strengthen the comprehensive benefits of the power system. It serves as an important path for sustainable development of energy supply, which is conducive to improving the safety and stability of energy supply in Guangdong Province.

5. Assisting in achieving the “dual carbon” goal

The Chinese government has pledged to the world to strive to achieve a peak in carbon dioxide emissions by 2030 and to achieve carbon neutrality by 2060. Carbon peaking and carbon neutrality have become China’s long-term policy goals. Under the premise of ensuring the stable growth of total social demand for electricity, the construction of Unit 5 and Unit 6 of Guangdong Lufeng Nuclear Power Plant can reduce carbon emissions, which greatly contributes to achieving the goals of carbon peaking and carbon neutrality. In July 2022, in the “Fourteenth Five-Year Plan of Guangdong Province on Addressing Climate Change” (《廣東省應對氣候變化“十四五”專項規劃》 issued by the Department of Ecology and Environment of Guangdong Province, the main tasks of the Fourteenth Five-Year Plan include “building a clean, low-carbon, safe and efficient energy system, and vigorously developing non- fossil energy with efficient construction of the first phase of Huizhou Taipingling Nuclear Power project, active promotion for commencement of projects such as Lufeng Nuclear Power Station and Lianjiang Nuclear Power Station on the premise of ensured safety, and facilitation for commencing the preliminary work of some subsequent projects with site protection of nuclear power plants”.

The operating units of CGNPC are mainly concentrated in Guangdong area. The investment plan for Units 5 and 6 of Guangdong Lufeng Nuclear Power Plant is not only to implement the key tasks of the implementation plan for carbon peaking in Guangdong Province, but also to promote the construction of a clean, low-carbon, safe and high-efficiency energy system to achieve sustainable development of energy supply in Guangdong Province.

6. Important guarantee for high-quality development of listed companies

As of the date of issuance of this report, the total installed nuclear power capacity under operation and construction of CGNPC has ranked second in the world and continued to rank first in the PRC. In 2022 and 2023, the domestic nuclear power industry has reached an annual average of 10 units for two consecutive years, positioning at the starting point of a new round of high-quality growth cycle. Under the dual-carbon target, the State is actively and orderly promoting the approved construction of new coastal nuclear power projects, with independent third-generation nuclear power projects entered the stage of mass construction. Listed companies are expected to increase their capital expenditures year by year and need to enrich their sources of finance by diversifying financing channels. Implementation of this refinancing can alleviate the pressure on subsequent capital expenditures of listed companies and is conducive to improving the overall financial soundness of listed companies and ensuring quality development.

(iii) Access to qualification documents

The approvals of Unit 5 and Unit 6 of Guangdong Lufeng Nuclear Power Plant from the competent authorities are as follows:

1. In March 2021, the project received Land Pre-examination and Site Selection Opinions for the Construction Project (《建設項目用地預審與選址意見書》) (Yong Zi No. 441500202100008) issued by Shanwei Natural Resources Bureau, and the total area of the proposed land for the project is 48.5501 hectares. On November 23, 2022, the project received Land Pre-examination and Site Selection Opinions for the Construction Project (Yong Zi No. 441500202200022) issued by Shanwei Natural Resources Bureau, and the total area of the proposed land for the project increased to 86.6178 hectares;
2. In May 2021, the project received the Sea Pre-examination Opinions of the General Office of the Ministry of Natural Resources for Guangdong Lufeng Nuclear Power Unit 5 and Unit 6 Project (《自然資源部辦公廳關於廣東陸豐核電5、6號機組項目用海預審意見的函》) (Zi Ran Zi Ban Han [2021] No. 750) issued by the Ministry of Natural Resources. In November 2022, the project received the Sea Opinions of the General Office of the Ministry of Natural Resources for Guangdong Lufeng Nuclear Power Unit 5 and Unit 6 Project (Zi Ran Zi Ban Han [2022] No. 2552) issued by the Ministry of Natural Resources. As of the date of this report, a total of 65.1463 hectares of sea area for the project has been issued with the certificate of real estate ownership;
3. In May 2022, the project received the Approval of National Development and Reform Commission for Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project (《國家發展改革委關於核准廣東陸豐核電站5、6號機組項目的批復》) (Fa Gai Neng Yuan [2022] No. 738) issued by the NDRC;
4. In September 2022, the project received the Approval of Environmental Impacts Statement for Unit 5 and Unit 6 of Guangdong Lufeng Nuclear Power Plant (Construction Stage) (《關於廣東陸豐核電5、6號機組環境影響報告書(建造階段)的批復》) (Huan Shen [2022] No.144) issued by the Ministry of Ecology and Environment;
5. In September 2022, the project received the Construction Permit of Unit 5 of Guangdong Lufeng Nuclear Power (《廣東陸豐核電5號機組建造許可證》) (Guo He An Zheng Zi No. 2215) and the Construction Permit of Unit 6 of Guangdong Lufeng Nuclear Power (《廣東陸豐核電6號機組建造許可證》) (Guo He An Zheng Zi No. 2216) issued by the National Nuclear Safety Administration.

(iv) Investment estimation of the project

According to the feasibility study report of Unit 5 and Unit 6 of Guangdong Lufeng Nuclear Power Plant, the total investment of the project is RMB40.865 billion, which mainly includes construction costs (including preliminary preparations, nuclear island construction, conventional island construction and BOP construction), sundry costs, 2/3 of the first furnace of nuclear fuel cost, basic contingency, loan interest during construction, initial working capital, etc. The specific investment amount is as follows:

Unit: RMB0'000

No.	Project or cost name	Investment amount
1	Construction cost	2,578,929
2	Sundry costs	696,406
3	2/3 of the first furnace of nuclear fuel cost	140,981
4	Basic contingency	168,293
5	Deduction of domestic value-added tax	-287,990
Base price (static investment) (subtotal of 1~5)		3,296,618
6	Contingency for price variation	6,063
7	Loan interest during construction	467,402
Total construction cost (dynamic investment) (subtotal of 1~7)		3,770,084
8	Initial working capital	23,079
9	Value-added tax deductible during construction	293,375
Overall project capital		4,086,538

Note: any discrepancies between totals and sums of amounts listed therein are due to rounding.

The project intends to use the proceeds of RMB4.9 billion and the shortfall (if any) shall be funded by the Company in the future.

(v) Benefit evaluation of the project

Based on the project construction period of 58 months, the interval between two units of 10 months and the economic calculation period of 30 years during operation, if the calculation parameters remain unchanged, the internal rate of return on capital of Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project is expected to reach 9%, demonstrating a favorable investment economic benefit.

**III. THE IMPACT OF THE ISSUANCE ON THE OPERATION AND MANAGEMENT
AND FINANCIAL POSITION OF THE COMPANY****(i) Impact on the operation and management of the Company**

The proceeds from the issuance of A Share Convertible Corporate Bonds to non-specific investors will further enhance the Company's capital strength, effectively improve the Company's asset and liability structure, and improve its financing ability to a certain extent, which will help the Company to seize opportunities for industry development, expand the scale of operations and lay a solid foundation for the expansion of the main business. The core competitiveness and long-term profitability of the Company will be enhanced, which is conducive to the sustainable development of the Company.

The proceeds from the issuance of A Share Convertible Corporate Bonds to non-specific investors, after deducting issuance expenses, are intended to be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project, which can further promote the growth of the Company's business, enhance the core competitiveness of the Company, optimize the financial structure and reduce the financial risks, help expand the Company's market share, consolidate its position in the industry and improve its profitability, thereby further enhancing the competitiveness and sustainability of the Company, which is in the interests of the Company and all shareholders.

(ii) Impact on the operating condition and financial position of the Company

The issuance of A Share Convertible Corporate Bonds to non-specific investors will help the Company enhance its capital strength, expand its asset scale, and further optimize its asset-liability structure, laying a foundation for the future development of the Company. After the implementation of the investment projects, the impact on the operating condition and financial position of the Company are as follows:

1. Impact on the operating condition of the Company

The proceeds to be raised from the issuance of A Share Convertible Corporate Bonds to non-specific investors, after deducting issuance expenses, will be used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project. The projects to be invested by the proceeds from the issuance of A Share Convertible Corporate Bonds to non-specific investors, are in line with the national industrial policies, the industry development trends and the development strategies of the Company, and have a promising market prospect, which are conducive to the expansion of the Company's main business.

2. *Impact on the financial position of the Company*

The impact of the issuance of A Share Convertible Corporate Bonds to non-specific investors on the financial position of the Company are reflected in the following aspects: Firstly, after receiving the proceeds from the Issuance, the Company's total assets and total liabilities will increase, thereby enhancing the capital strength of the Company and ensuring the sustainable and stable development of the Company. After completion of the conversion of Convertible Bonds, the Company's net assets will increase and the gearing ratio will gradually decrease, which will help reduce the Company's financial risks and enhance the Company's ability to raise funds through multiple channels, thus having a positive impact on the Company's cash inflows from potential financing activities in the future. Secondly, the construction of the investment projects requires a period of time to implement. The operating benefits of some investment projects cannot be fully released in the short term, which will have a certain impact on the earnings per share and return on net assets of the Company. However, as Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 Project is gradually constructed and generate income, the profitability of the Company will be further improved, which is beneficial to the long-term development of the Company.

IV. FEASIBILITY CONCLUSION OF THE PROJECTS TO BE INVESTED BY THE PROCEEDS

Based on the above, the projects to be invested by the proceeds from the issuance of A Share Convertible Corporate Bonds to non-specific investors, are in line with the national industrial policies and the needs of the Company's development. The investment projects have strong profitability and promising development prospects. The proceeds raised will bring favorable economic benefit to the Company, help optimize the financial structure of the Company, meet the needs of the Company's business expansion, and will further expand the operating scale and overall strength of the Company, improve the operating efficiency and core competitiveness of the Company, and lay a foundation for the healthy and rapid development in the future, which is in the interests of the Company and all shareholders of the Company.

The Board of Directors of CGN Power Co., Ltd.
June 21, 2024

CGN POWER CO., LTD.
REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

The Company and all members of the Board hereby warrant that the information disclosed is true, accurate and complete, and there are no false representations or misleading statements contained herein, or material omissions from it.

According to the requirements of the Guidelines for the Application of Regulatory Rules—Issuance Category No. 7 (《監管規則適用指引—發行類第7號》) of China Securities Regulatory Commission (the “CSRC”), CGN Power Co., Ltd. (hereinafter referred to as the “Company”) prepared the Report on the Use of Proceeds Previously Raised as at March 31, 2024.

I. BASIC INFORMATION ON PROCEEDS PREVIOUSLY RAISED

(i) Actual Amount and Receipt Time of Proceeds

As approved by the Reply on Approval of the Initial Public Offer of Shares of CGN Power Co., Ltd. (Zheng Jian Xu Ke [2019] No. 1381) (《關於核准中國廣核電力股份有限公司首次公開發行股票的批覆》(證監許可[2019]1381 號)) issued by the CSRC, the Company issued a total of 5,049,861,100 RMB ordinary shares (A shares) with the issue price of RMB2.49 each under the public offer on August 12, 2019 and the shares were listed on the Shenzhen Stock Exchange. The proceeds amounted to RMB12,574,154,139.00 in total. After deducting the issuance costs of RMB 184,378,579.56 (excluding value-added tax), the actual net proceeds amounted to RMB12,389,775,559.44 (hereinafter referred to as “IPO Proceeds”). After the above proceeds were received on August 16, 2019, the status of proceeds has been verified by Deloitte Touche Tohmatsu (Certified Public Accountants LLP), which has issued the Capital Verification Report (De Shi Bao (Yan) Zi (19) No. 00386).

(ii) Deposit and Management of Proceeds Previously Raised

In order to standardize the management and the use of proceeds raised and protect investors’ interests, the Company prepared the Management Rules on Fundraising Proceeds of CGN Power Co., Ltd. (《中國廣核電力股份有限公司募集資金管理規定》) in accordance with the Regulatory Guidelines for Listed Companies No. 2 – Regulatory Requirements for the Management and Use of Funds Raised by 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》) and the relevant laws and regulations, and taking into account the actual situation of the Company.

1. Management of proceeds

The Company, together with China International Capital Corporation Limited (hereinafter referred to as “CICC”, the sponsor of the Company), has signed the Tripartite Supervision Agreement on Proceeds with Industrial and Commercial Bank of China Limited (Shenzhen Branch), China Development Bank (Shenzhen Branch) and Bank of China Limited (Shenzhen Shangbu Sub-branch), respectively. The Company and its subsidiary, Yangjiang Nuclear Power Co., Ltd. (陽江核電有限公司) (hereinafter referred to as “Yangjiang Nuclear”), together with CICC, have signed the Tripartite Supervision Agreement with Bank of China Limited (Shenzhen Shangbu Sub-branch). The Company and its subsidiary, Guangxi Fangchenggang Nuclear Power Co., Ltd. (廣西防城港核電有限公司) (hereinafter referred to as “Fangchenggang Nuclear”), together with CICC, have signed the Tripartite Supervision Agreement with Industrial and Commercial Bank of China Limited (Shenzhen Branch). There is no significant difference between the above regulatory agreements and the model of tripartite regulatory agreement from Shenzhen Stock Exchange, and the Company has strictly complied with them in the management and use of the proceeds.

2. Cancellation of special accounts for proceeds

As of March 31, 2024, all the IPO Proceeds of the Company have been used up, and the special accounts for proceeds from the initial public offer of A shares of the Company have been fully cancelled.

No.	Account opening entity	Account opening bank	Account number of special account for proceeds	Use of proceeds	Balance of account (RMB'0,000)	Remarks
1	The Company	Business Department of Industrial and Commercial Bank of China Limited (Shenzhen Branch)	4000023029201965135	Construction of Fangchenggang Units 3 and 4	/	Announced cancellation
2	The Company	China Development Bank (Shenzhen Branch)	44301560044805770000	Construction of Fangchenggang Units 3 and 4	/	Announced cancellation
3	The Company	Bank of China Limited (Shenzhen Shangbu Sub-branch)	769272356520	Construction of Yangjiang Units 5 and 6	/	Announced cancellation
4	The Company	Bank of China Limited (Shenzhen Shangbu Sub-branch)	775772516695	Replenishment of liquidity	/	Announced cancellation
5	Yangjiang Nuclear	Bank of China Limited (Shenzhen Shangbu Sub-branch)	745872639173	Construction of Yangjiang Units 5 and 6	/	Announced cancellation
6	Fangchenggang Nuclear	Business Department of Industrial and Commercial Bank of China Limited (Shenzhen Branch)	4000023029201982241	Construction of Fangchenggang Units 3 and 4	/	Announced cancellation

II. ACTUAL USE OF PROCEEDS PREVIOUSLY RAISED**(i) Comparison Table of the Use of Proceeds Previously Raised**

As of March 31, 2024, all the IPO Proceeds of the Company have been used up, of which RMB10,727,305,000 has replaced the self-raised funds that have been invested in the investment project in advance, RMB272,695,000 has been invested in the construction of Fangchenggang Units 3 and 4, and RMB1,389,775,600 has been used for replenishment of liquidity. Please refer to Appendix 1 to this report for details of Comparison Table of the Use Of Proceeds Previously Raised.

(ii) Changes in the Proceeds Previously Raised

There was no change in actual investment projects of the proceeds previously raised.

(iii) Difference between the Actual Total Investment and the Committed Total Investment of the Proceeds Previously Raised

There was no difference between the actual total investment and the committed total investment of the proceeds previously raised.

(iv) External Transfer or Replacement of Investment Projects with the Proceeds Previously Raised

There was no external transfer or replacement of investment projects with the proceeds previously raised.

(v) Use of Idle Proceeds

The Company considered and approved the Resolution on Approving CGN Power Co., Ltd. to Use Temporary Idle Proceeds to Purchase Principal-Guaranteed Wealth Management Products (《關於批准中國廣核電力股份有限公司使用暫時閒置募集資金購買保本型理財產品的議案》) at the tenth extraordinary meeting of the second session of the Board of Directors held on September 12, 2019, agreeing to use no more than RMB6 billion (inclusive) of idle proceeds to select opportunities to purchase bank principal-guaranteed wealth management products (including but not limited to structured deposits and other principal-guaranteed wealth management products) without affecting the normal progress of the Company's investment plan and the safety of the proceeds, for a period of no more than 12 months from the date of approval by the Board. The funds can be used on a rolling basis within the aforesaid use period and amount. The Company's independent directors, the Supervisory Committee and the sponsor have expressed a clear agreement on the matter. On September 16, 2019 and October 23, 2019, the Company purchased principal-guaranteed wealth management products with temporary idle proceeds of RMB6 billion. In December 2019, the principal-guaranteed wealth management products purchased by the Company with temporarily idle proceeds were all redeemed at maturity, and the yield of each product was at a high level within the expected

annualized yield range. In 2019, the Company's revenue from depositing the proceeds to banks and wealth management (excluding bank fees) amounted to RMB97,208,800 in total. The Company has invested the interest generated from the proceeds specifically for the construction of Fangchenggang Units 3 and 4 projects into the corresponding investment projects, and transferred the interest generated from the proceeds from the replacement of self-raised funds and replenishment of liquidity to the general accounts of the Company.

III. EFFECTIVENESS OF THE INVESTMENT PROJECTS REALIZED BY THE PROCEEDS PREVIOUSLY RAISED

Please refer to Appendix 2 of this report for details of Comparison Table of Effectiveness of the Investment Projects Realized by the Proceeds Previously Raised.

IV. OPERATION OF THE ASSETS USED FOR THE SUBSCRIPTION OF SHARES IN THE PROCEEDS PREVIOUSLY RAISED

Proceeds previously raised have not been used for the subscription of shares.

V. COMPARISON OF INFORMATION DISCLOSURE OF THE ACTUAL USE OF THE PROCEEDS PREVIOUSLY RAISED

There is no difference between the actual use of the proceeds previously raised and the relevant contents disclosed in the Company's periodic reports and other information disclosure documents.

- Appendices:
1. Comparison Table of the Use of Proceeds Previously Raised
 2. Comparison Table of Effectiveness of the Investment Projects Realized by the Proceeds Previously Raised

The Board of Directors of
CGN Power Co., Ltd.
June 21, 2024

APPENDIX 1: COMPARISON TABLE OF THE USE OF PROCEEDS PREVIOUSLY RAISED

Unit: RMB'0,000

No.	Investment project	Total investment amount of proceeds		Accumulated investment amount of proceeds as at the closing date		Difference between actual investment amount and committed investment amount before fund raising	Date on which the project is ready for its intended use (or the project progress as at the closing date)
		Committed investment amount before fund raising	Actual investment amount	Committed investment amount before fund raising	Actual investment amount		
	Total proceeds (note)	1,238,977.56		Accumulated use of total proceeds	1,238,977.56		
	Total proceeds with changed use	N/A		Total proceeds used in each year (2019)	1,238,977.56		
	Proportion of total proceeds with changed use	N/A					
No.	Investment project	Committed investment amount before fund raising	Actual investment amount	Committed investment amount before fund raising	Actual investment amount	Difference between actual investment amount and committed investment amount before fund raising	Date on which the project is ready for its intended use (or the project progress as at the closing date)
1	Yangjiang Units 5 and 6	300,000.00	300,000.00	300,000.00	300,000.00	–	Yangjiang Units 5 and 6 commenced commercial operation on July 12, 2018 and July 24, 2019, respectively.
2	Fangchenggang Units 3 and 4	800,000.00	800,000.00	800,000.00	800,000.00	–	Fangchenggang Unit 3 commenced commercial operation on March 25, 2023 and Unit 4 was under construction as of March 31, 2024.
3	Replenishment of liquidity	138,977.56	138,977.56	138,977.56	138,977.56	–	N/A
Total		1,238,977.56	1,238,977.56	1,238,977.56	1,238,977.56	–	

Note: The total amount of the proceeds is the amount that can be used to invest in the projects after deducting the issuance expenses.

APPENDIX 2: COMPARISON TABLE OF EFFECTIVENESS OF THE INVESTMENT PROJECTS REALIZED BY THE PROCEEDS PREVIOUSLY RAISED

Unit: RMB '0,000

Actual investment project No.	Name of project	Accumulated capacity utilization rate of investment projects (as of March 31, 2024)	Committed effectiveness	Actual benefits (net profit) for the last three years and one period			January to March 2024	Accumulated realized effectiveness (net profit)	Whether the expected effectiveness is achieved
				2021	2022	2023			
1	Yangjiang Units 5 and 6	The capacity factor of Unit 5 is 91.96%	Expected financial internal rate of return on capital	226,399.88	210,454.56	185,845.56	63,943.66	946,967.52	Yes
		The capacity factor of Unit 6 is 92.00%	(after tax) is approximately 10% (note 1)						
2	Fangchenggang Units 3 and 4	The capacity factor of Unit 3 is 82.49% (note 3)	Expected financial internal rate of return on capital	N/A	N/A	N/A	N/A	N/A	N/A (Unit 4 is under construction as of March 31, 2024)
		Unit 4 is under construction	(after tax) is approximately 9% (note 2)						
3	Replenishment of liquidity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: As disclosed in the prospectus of the Company's initial public offer of shares (A shares), it is expected that the financial internal rate of return (after tax) of Yangjiang Units 5 and 6 is approximately 10%.

Note 2: As disclosed in the prospectus of the Company's initial public offer of shares (A shares), it is expected that the financial internal rate of return (after tax) of Fangchenggang Units 3 and 4 is approximately 9%.

Note 3: Low capability factor was because Fangchenggang Unit 3 began its initial outage in the first quarter of 2024.

**ANNOUNCEMENT OF CGN POWER CO., LTD. ON THE DILUTION OF
IMMEDIATE RETURNS DUE TO THE ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS TO NON-SPECIFIC INVESTORS, THE ADOPTION OF
REMEDIAL MEASURES AND THE UNDERTAKINGS OF RELEVANT
STAKEHOLDERS**

The Company and all members of the Board warrant that the contents of this announcement are true, accurate and complete, and there are no false records, misleading statements or material omissions.

Special reminder:

The analysis and description of the key financial indicators of CGN Power Co., Ltd. (hereinafter referred to as “the Company”) after the issuance of A Share Convertible Corporate Bonds by the Company to non-specific investors do not constitute a profit forecast or commitment of the Company and the formulation of remedial measures does not represent a guarantee of the Company’s future profits. Investors should note that they should not make investment decisions based on such information and if they suffer losses by doing so, the Company shall not be liable for compensation.

Pursuant to the requirements of the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》), the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors’ Legitimate Interests in the Capital Markets (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》), the Guiding Opinions on Matters Concerning the Dilution of Immediate Returns by Initial Public Offering, Refinancing and Material Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) and other laws, regulations and regulatory documents, in order to protect the information rights of small and medium investors and safeguard the interests of small and medium investors, the Company hereby makes an announcement on the impact of the dilution of immediate returns due to the issuance of A Share Convertible Corporate Bonds to non-specific investors on the Company’s key financial indicators, the adoption of remedial measures and the undertakings of relevant stakeholders as follows:

**I. THE IMPACT OF THE DILUTION OF IMMEDIATE RETURNS DUE TO THE
ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-
SPECIFIC INVESTORS ON THE KEY FINANCIAL INDICATORS OF THE
COMPANY**

(I) Assumptions and Premises for Calculation

1. It is assumed that no material change occurs in, among other things, macroeconomic environment, industrial policies, industrial development and product market;

**APPENDIX VI REMEDIAL MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION
TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE ISSUANCE OF
A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS**

2. It is assumed that the issuance of the Convertible Corporate Bonds is completed on December 31, 2024 and all Convertible Corporate Bonds are converted (i.e. the conversion rate is 100% and all shares are converted at one time) as of June 30, 2025 and all Convertible Corporate Bonds are not converted (i.e. the conversion rate is zero) as of December 31, 2025. The completion time of the issuance and the conversion is an assumption only and does not constitute a commitment to the actual completion time. The actual completion time shall be the time when the issuance and the conversion are actually completed upon approval by the Shenzhen Stock Exchange and the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”);
3. The impact of the proceeds received from the issuance of the Convertible Corporate Bonds to non-specific investors on the production, operation and financial conditions of the Company (e.g. financial expenses, return on investment, interest amortization, etc.) is not taken into consideration;
4. The assumption does not take into account the impact of the coupon rate of the Convertible Bonds and is for simulation calculation purpose only and does not constitute a numerical forecast of the actual coupon rate;
5. It is assumed that the total amount of proceeds raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors is RMB4.9 billion, which does not take into account the impact of issuance expenses. The actual amount of proceeds received from the Issuance of A Share Convertible Corporate Bonds shall be determined in light of the approval from regulatory authorities, the subscription status of the Issuance, the issuance expenses and etc.;
6. It is assumed that the conversion price of the A Share Convertible Corporate Bonds is RMB4.37 per share (which is the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of announcement of the resolutions of the seventh meeting of the fourth session of the Board of Directors of the Company (i.e., June 21, 2024) and the average trading price of A Shares on the trading day immediately preceding the aforesaid date, not lower than the latest audited net asset per share and the par value of the shares), which is used to calculate the impact of the dilution of immediate returns due to the issuance of A Share Convertible Corporate Bonds on key financial indicators only. The actual initial conversion price shall be determined by the Board (or persons authorized by the Board) as authorized by the Shareholders’ general meeting and the Shareholders’ class meeting through negotiation with the sponsor (the lead underwriter) in light of the specific conditions of the market and the Company before the Issuance;

**APPENDIX VI REMEDIAL MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION
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7. In 2023, the Company had net profit attributable to owners of the parent company of RMB10,724.5701 million and net profit attributable to owners of the parent company net of non-recurring gain and loss of RMB10,612.8508 million. It is assumed that the Company's net profit attributable to owners of the parent company and net profit attributable to owners of the parent company net of non-recurring gain and loss will remain at the same level, increase by 5% or increase by 10%, respectively, in 2024 and 2025 as compared to the previous year (the aforesaid growth rate does not represent a forecast of the Company's future profits and is used to calculate the impact of the dilution of immediate returns due to the Issuance on key financial indicators only. Investors should not make investment decisions based on such information and if they suffer losses by doing so, the Company shall not be liable for compensation); and
8. The forecast of the total share capital of the Company is based on the total share capital of 50,498,611,100 shares of the Company as of March 31, 2024. It only takes into account the impact of the number of shares after the completion of the Issuance and the conversion of all A Share Convertible Bonds on the share capital and does not take into account the changes in share capital caused by share repurchases, share incentive scheme and profit distribution of the Company or other factors.

(II) Impact on the Key Financial Indicators of the Company

Based on the above assumptions, the impact of the issuance of A Share Convertible Corporate Bonds to non-specific investors on the Company's key financial indicators is calculated as follows:

Items	2023/ December 31, 2023	2024/ December 31, 2024	2025/December 31, 2025	
			All A Share Convertible Corporate Bonds are not converted into A Shares as at December 31, 2025	All A Share Convertible Corporate Bonds are converted into A Shares as at June 30, 2025
Total share capital at the end of period (share)	50,498,611,100	50,498,611,100	50,498,611,100	51,619,892,564
Total proceeds from the Issuance (RMB'0,000)			490,000.00	
Estimated completion time of the Issuance			December 31, 2024	

**APPENDIX VI REMEDIAL MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION
TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE ISSUANCE OF
A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS**

Items	2023/ December 31, 2023	2024/ December 31, 2024	2025/December 31, 2025	
			Convertible Corporate Bonds are not converted into A Shares as at December 31, 2025	All A Share Convertible Corporate Bonds are converted into A Shares as at June 30, 2025
Assumption 1: Assuming the Company's net profit attributable to shareholders of the listed company and net profit attributable to shareholders of the listed company net of non-recurring gains and losses in 2024 and 2025 will remain at the same level as compared to 2023				
Net profit attributable to shareholders of the parent company (RMB'0,000)	1,072,457.01	1,072,457.01	1,072,457.01	1,072,457.01
Net profit attributable to shareholders of the parent company (net of non-recurring gains and losses) (RMB'0,000)	1,061,285.08	1,061,285.08	1,061,285.08	1,061,285.08
Basic earnings per share (RMB/share)	0.212	0.212	0.212	0.210
Basic earnings per share (net of non-recurring gains and losses) (RMB/share)	0.210	0.210	0.210	0.208
Diluted earnings per share (RMB/share)	0.212	0.212	0.208	0.208
Diluted earnings per share (net of non-recurring gains and losses) (RMB/share)	0.210	0.210	0.206	0.206
Assumption 2: Assuming the Company's net profit attributable to shareholders of the listed company and net profit attributable to shareholders of the listed company net of non-recurring gains and losses in 2024 and 2025 will increase by 5% as compared to the previous year				
Net profit attributable to shareholders of the parent company (RMB'0,000)	1,072,457.01	1,126,079.86	1,182,383.86	1,182,383.86
Net profit attributable to shareholders of the parent company (net of non-recurring gains and losses) (RMB'0,000)	1,061,285.08	1,114,349.33	1,170,066.80	1,170,066.80
Basic earnings per share (RMB/share)	0.212	0.223	0.234	0.232
Basic earnings per share (net of non-recurring gains and losses) (RMB/share)	0.210	0.221	0.232	0.229
Diluted earnings per share (RMB/share)	0.212	0.223	0.229	0.229
Diluted earnings per share (net of non-recurring gains and losses) (RMB/share)	0.210	0.221	0.227	0.227

APPENDIX VI REMEDIAL MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS

Items	2023/ December 31, 2023	2024/ December 31, 2024	2025/December 31, 2025	
			Convertible Corporate Bonds are not converted into A Shares as at December 31, 2025	All A Share Convertible Corporate Bonds are converted into A Shares as at June 30, 2025
Assumption 3: Assuming the Company's net profit attributable to shareholders of the listed company and net profit attributable to shareholders of the listed company net of non-recurring gains and losses in 2024 and 2025 will increase by 10% as compared to the previous year				
Net profit attributable to shareholders of the parent company (RMB'0,000)	1,072,457.01	1,179,702.71	1,297,672.98	1,297,672.98
Net profit attributable to shareholders of the parent company (net of non-recurring gains and losses) (RMB'0,000)	1,061,285.08	1,167,413.59	1,284,154.95	1,284,154.95
Basic earnings per share (RMB/share)	0.212	0.234	0.257	0.254
Basic earnings per share (net of non-recurring gains and losses) (RMB/share)	0.210	0.231	0.254	0.252
Diluted earnings per share (RMB/share)	0.212	0.234	0.251	0.251
Diluted earnings per share (net of non-recurring gains and losses) (RMB/share)	0.210	0.231	0.249	0.249

Note: Earnings per share are calculated in accordance with the Compilation Rules for Information Disclosure on Public Issuance of Securities by Companies No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (《公開發行證券的公司信息披露編報規則第9號–淨資產收益率和每股收益的計算及披露》).

II. SPECIAL RISK WARNING ON THE DILUTION OF IMMEDIATE RETURNS DUE TO THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS

Upon conversion of the Convertible Corporate Bonds held by investors in part or in whole, the Company's total share capital and net assets will increase to a certain extent. Since the investment projects require a certain period of time for construction before they can generate benefits, the Company's earnings per share may decrease as compared to the same period of the previous year in a short term and there is a risk that the Company's operating results may be diluted in a short term.

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In addition, the A Share Convertible Corporate Bonds are subject to a clause on the downward adjustment to conversion price. When the clause is triggered, the Company may make downward adjustment to the conversion price, leading to an increase in the total amount of share capital resulting from the conversion of the Convertible Corporate Bonds and hence enlarging the potential dilutive effect of the conversion of A Share Convertible Corporate Bonds on the original ordinary shareholders of the Company.

There is a risk of dilution on immediate returns due to the Issuance. Investors are advised to exercise caution and pay attention to investment risks.

III. NECESSITY AND FEASIBILITY OF THE ISSUANCE

The underlying investment projects of the issuance of A Share Convertible Corporate Bonds to non-specific investors have been carefully evaluated by the Company and are in line with national industrial policies and the needs of the Company's development. Such investment projects have strong profitability and good development prospects. The proceeds raised from the Issuance will bring good economic benefits to the Company and may help to optimize the financial structure of the Company so as to meet the needs of the Company for business expansion, further enhance the business scale and comprehensive strengths of the Company, improve the operating efficiency and core competitiveness of the Company and lay a solid foundation for the healthy and rapid development of the Company in the future, which is in the interests of the Company and all shareholders of the Company. For detailed analysis, please refer to the Feasibility Report on the Use of Proceeds from the Issuance of A Share Convertible Corporate Bonds to Non-specific Investors by CGN Power Co., Ltd. issued by the Company on the date of this announcement.

IV. RELATIONSHIP BETWEEN THE INVESTMENT PROJECTS AND THE EXISTING BUSINESSES OF THE COMPANY, AND THE RESERVES OF THE COMPANY FOR THE INVESTMENT PROJECTS IN TERMS OF TALENT, TECHNOLOGY AND MARKET

(I) Relationship Between the Investment Projects and the Existing Businesses of the Company

The proceeds from the issuance of A Share Convertible Corporate Bonds to non-specific investors, net of relevant issuance expenses, will be used for the Guangdong Lufeng Nuclear Power Plant Unit 5 and Unit 6 Project. The investment projects are based on the Company's existing business operations and are determined, after careful consideration and feasibility study, in light of the current business development needs of the Company and the future development trends of the industry. The existing business operations of the Company are the foundation of the investment projects. The implementation of such investment projects is conducive to improving the Company's operating results and will bring long-term stable income and new profit growth points to the Company and generate greater economic and social benefits.

(II) The Company’s Reserves for the Investment Projects in Terms of Talent, Technology and Market

1. Talent Reserve

The Company makes continuous efforts to improve its human resources development and training system and place great importance on the cultivation of technical and management talents. To enhance the Company’s independent innovation capability and give full play to the supporting and leading roles of talents in scientific and technological innovation, the Company provides more channels and a better environment for the cultivation of talents. The senior management team of the Company has been engaged in the nuclear power industry for more than 20 years and has extensive experience in nuclear power management and has developed a certain international vision through continuous exchange activities with international peers.

The Company will, in view of the needs of business development and the implementation of the investment projects, continue to promote its talent recruitment and training plan at a faster pace, with an aim to enhance its talent reserve and ensure the smooth implementation of the investment projects.

2. Technology Reserve

The Company focuses on the development of the PWR technology route. Since the construction of Daya Bay Nuclear Power Station in the 1980s, the Company has adhered to the path of “introduction, digestion, assimilation and innovation”, and continuously carried out technological improvement and independent innovation. The Company has established a sound research and development system with one national engineering technology center, one national key laboratory and five national energy R&D and innovation platforms, and has established a number of large-scale laboratories with advanced industry standards. The Company has a highly specialized and experienced professional technical team with rich experience and mature technology in the field of nuclear power generation. The Company has established technological reserves in terms of both project site selection and project construction in the early stage and project operations in the subsequent stage.

3. Market Reserve

The active, safe and orderly development of nuclear power is a clear strategic plan made by the 20th National Congress of the Communist Party of China and also an important part of China’s energy strategy. It plays an important role in optimizing China’s energy structure, ensuring energy security and building a new energy system. As China’s largest nuclear power developer and operator in terms of total installed nuclear power capacity in operation and the largest player in China’s nuclear power industry, the Company still has significant room for growth in the field of nuclear power. In the context of the strategy of “carbon peak and carbon neutrality”, with the intensive introduction of various national policies to encourage the

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“construction of a clean, low-carbon, safe and efficient energy system”, it provides a good policy environment and broad market prospects for the implementation of the projects funded by the proceeds. The projects funded by the proceeds are in line with the national strategic policy of accelerating the construction of a new energy system and the strategic goal of “carbon peak and carbon neutrality”. After the completion of the construction, such projects will further increase the Company’s installed nuclear power capacity and enhance the Company’s market size and competitiveness.

To sum up, the projects funded by the proceeds from the Issuance have a good foundation in terms of talent, technology, market and other aspects. With the advancement of such projects and the gradual expansion of business scale, the Company will actively improve the talent, technology, market and other reserves to meet the needs of high-quality and sustainable business development.

V. MEASURES TAKEN BY THE COMPANY TO DEAL WITH THE DILUTION OF IMMEDIATE RETURNS DUE TO THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS.

In order to ensure the effective use of the proceeds, effectively prevent the risk of dilution on the immediate returns of shareholders and improve the Company’s sustainable profitability in the future, the Company will strengthen the supervision of the projects funded by the proceeds, accelerate the implementation of the projects funded by the proceeds, improve the management level, enhance the operating efficiency of the Company and increase future earnings to reduce the dilutive impact on the immediate returns of shareholders by the Issuance after the completion of the issuance of A Share Convertible Corporate Bonds to non-specific investors. The specific measures to be taken by the Company are as follows:

(I) Accelerating the implementation progress of the projects funded by the proceeds and realizing the expected benefits of the projects as soon as possible

The proceeds from the issuance of Convertible Corporate Bonds to non-specific investors are mainly used for Guangdong Lufeng Nuclear Power Station Unit 5 and Unit 6 project. The project focuses on the Company’s main business, which is in line with the current economic situation and the Company’s development strategy, and has good development prospects and economic benefits. After the proceeds from the Issuance are in place, the Company will endeavor to ensure the implementation progress of the projects funded by the proceeds. The smooth implementation and benefit release of the projects funded by the proceeds will help to make recovery for the dilution on the immediate returns by the Issuance and listing, which is in the long-term interests of the Company’s shareholders.

(II) Continuously improving corporate governance to provide assurance for the development of the Company through a strong system

The Company will strictly comply with the requirements of laws, regulations and normative documents including the Company Law and the Securities Law, and constantly improve the Company's governance structure to ensure that shareholders can fully exercise their rights, the Board can perform its functions and powers in accordance with laws, regulations and the Articles of Association to make scientific, quick and cautious decisions, and the independent directors can earnestly perform their duties, protect the Company's interests as a whole, especially the legitimate rights of minority shareholders; and the Supervisory Committee can independently and effectively exercise rightist powers of supervision and inspection over directors, senior management members as well as the financial affairs of the Company to provide assurance for the development of the Company through a strong system.

(III) Strengthening operation management and internal control to improve operation efficiency

The Company will strive to improve the funds utilization efficiency, improve and strengthen the investment and financing decision-making procedures, and rationally use various financing tools and channels to control the cost of capital. At the same time, the Company will further strengthen its internal control, enhance cost control and strengthen the monitoring of the implementation and processes in various aspects such as research and development, procurement, sales and environmental protection through the improvement of information system, so as to comprehensively and effectively control the Company's operation and management risk.

(IV) Strengthening the management of raised funds to ensure the standardized and effective use of proceeds.

In order to regulate the use and management of the proceeds by the Company and ensure the standardized, safe and efficient use of proceeds, the Company has formulated the Administrative Provisions on Proceeds of China General Nuclear Power Co., Ltd. In order to ensure the Company's standardized and effective use of proceeds, after the proceeds from the Issuance are in place, the Board will continue to supervise the Company's special deposit of proceeds, ensure that the proceeds will be used for the designated investment projects, conduct regular internal audits of proceeds, and cooperate with the supervision banks and sponsors in the inspection and supervision of the use of proceeds in accordance with the Administrative Provisions on Proceeds of China General Nuclear Power Co., Ltd. In the future, the Company will strive to improve the efficiency of capital use, improve and strengthen the investment decision-making process, design more reasonable funds use plans, rationally use various financing tools and channels, control the cost of funds, improve funds utilization efficiency and save the Company's various expenses to comprehensively and effectively control the Company's operation and management risks, and enhance the Company's profitability.

(V) Implementing Profit Distribution Policy and Optimizing Investment Return Mechanism

In accordance with the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors' Legitimate Interests in the Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)), the Notice of the CSRC on Further Implementation of Matters Related to Cash Dividends of Listed Companies (Zheng Jian Fa [2012] No. 37) (《中國證監會關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)) and other relevant regulations, the Company announced the Shareholder Dividend Distribution Plan for the Next Five Years (2021-2025) of CGN Power Co., Ltd. (《中國廣核電力股份有限公司未來五年(2021-2025年)股東分紅回報規劃》) on March 18, 2021, further clarifying and stabilizing the profit distribution to shareholders, especially return mechanism of the cash dividend. After the completion of the Issuance, the Company will strictly implement the dividend policy, and provide investors with sustainable and reasonable returns while achieving healthy development of its main business and continuous growth of operating performance.

VI. UNDERTAKINGS BY ALL DIRECTORS, SENIOR MANAGEMENT AND CONTROLLING SHAREHOLDER OF THE COMPANY IN RESPECT OF EFFECTIVE IMPLEMENTATION OF THE RECOVERY MEASURES OF THE COMPANY

(I) Undertakings by Directors and senior management of the Company in respect of effective implementation of the recovery measures of the Company

The Directors and senior management of the Company make the following undertakings in respect of effective implementation of the recovery measures adopted by the Company for the dilution on the immediate returns by the Issuance of A Share Convertible Corporate Bonds to non-specific investors and listing:

- i. I undertake not to convey any benefits to other entities or individuals for free or under unfair conditions or otherwise damage the interest of the Company;
- ii. I undertake to restrain my spending when performing my duties;
- iii. I undertake not to use the Company's assets in making investments or expenditures unrelated to my performance of duties;
- iv. Within the scope of my duties and authority, I undertake to fully procure that the remuneration system formulated by the Board or the Remuneration Committee will correspond to the implementation of the recovery measures of the Company;

**APPENDIX VI REMEDIAL MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION
TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE ISSUANCE OF
A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS**

- v. If the Company adopts any equity incentive scheme in the future, within the scope of my duties and authority, I undertake to fully procure that the conditions for the exercise of the equity incentive to be announced by the Company will correspond to the implementation of the recovery measures of the Company;
- vi. From the date of this undertaking letter to the completion of the Issuance, if the CSRC and Shenzhen Stock Exchange promulgate other regulatory provisions or impose other requirements on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions, I undertake to make supplementary undertakings then according to the latest regulatory provisions;
- vii. I undertake that if I violate or refuse to perform such undertakings, I agree to accept relevant penalties or management measures imposed on me in accordance with the relevant regulations formulated by securities regulatory agencies such as the CSRC and the Shenzhen Stock Exchange.”

(II) Undertakings by the controlling shareholder of the Company in respect of effective implementation of the recovery measures of the Company

China General Nuclear Power Corporation, the controlling shareholder of the Company makes the following undertakings in respect of the dilution on immediate returns by the Issuance of A Share Convertible Corporate Bonds to non-specific investors and the effective implementation of the recovery measures to be adopted by the Company:

- “i. The company undertakes not to interfere in the Company’s operation and management activities beyond its authority or jeopardize the Company’s interests;
- ii. From the date of this undertaking letter to the completion of the Issuance, if the CSRC and Shenzhen Stock Exchange promulgate other regulatory provisions or impose other requirements on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions, the company undertake to make supplementary undertakings then according to the latest regulatory provisions.;
- iii. The company undertake to effectively perform the undertakings as set out in items i and ii mentioned above. If the company violates or refuse to perform such undertakings, the company agrees to accept relevant penalties or take relevant management measures against the Company in accordance with the relevant regulations formulated by securities regulatory agencies such as the CSRC and the Shenzhen Stock Exchange.”

It is hereby notified the above.

The Board of Directors of CGN Power Co., Ltd.
June 21, 2024

CGN Power Co., Ltd.

**THE RULES OF PROCEDURES OF MEETING OF THE HOLDERS OF A
SHARE CONVERTIBLE CORPORATE BONDS**

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the organization and behaviors of the meeting of the holders of A share convertible corporate bonds of CGN Power Co., Ltd. (hereinafter referred to as the “Company”), clarify the rights and obligations of the Bondholders’ meetings and safeguard the rights and interests of the Bondholders, these rules have been formulated pursuant to the requirements of the “Company Law of the People’s Republic of China”, the “Securities Law of the People’s Republic of China”, the “Administrative Measures for the Issuance and Registration of Securities by Listed Companies”, the “Administrative Measures for the Issuance and Trading of Corporate Bonds”, the “Administrative Measures for Convertible Corporate Bonds”, the “No. 15 of the Guidelines for the Self-Supervision of Listed Companies on the Shenzhen Stock Exchange – Convertible Corporate Bonds”, other relevant laws, administrative regulations and regulatory documents, as well as the relevant business rules of the Shenzhen Stock Exchange, and with reference to the actual conditions of the Company.

Article 2 The Convertible Corporate Bonds referred to in these rules mean the A Share Convertible Corporate Bonds (hereinafter referred to as the “Convertible Bonds” or “Bonds”) issued by the Company pursuant to the Offering Document on Public Issuance of A Share Convertible Corporate Bonds of CGN Power Co., Ltd. (hereinafter referred to as the “Offering Document”). The Bondholders are the investors who obtain the Convertible Bonds through subscription, trading, transfer, inheritance or other legitimate means.

The basic components and major stipulations of the Convertible Bonds, such as the bond abbreviation and code, issuance date, redemption date, issuance interest rate, issuance scale, rights-containing clauses and investors’ rights protection clauses, are subject to the contents contained in the Offering Document and other documents.

The Company shall engage the underwriter of the Convertible Bonds or other institutions recognized by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) to act as the trustee of the Convertible Bonds (hereinafter referred to as the “Trustee”).

Article 3 The meetings of the holders of convertible bonds will be established upon completion of the issuance of the Convertible Bonds till the termination of debtor-creditor relationship in connection with the Convertible Bonds. The Bondholders’ meetings comprise the holders who hold the outstanding Convertible Bonds (hereinafter referred to as the “Bondholders”), including those holding the Convertible Bonds through subscription, trading, transfer, inheritance or other legitimate means.

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
OF A SHARE CONVERTIBLE CORPORATE BONDS**

During the listing period of the Bonds, the scope of aforesaid holders is subject to the Bondholders which appear on the register of Bondholders maintained at China Securities Depository and Clearing Corporation Limited, unless otherwise provided by the laws and regulations.

Article 4 The Bondholders' meetings are convened and held according to the procedures stipulated herein to consider and vote on the matters within the extent of authority stipulated herein.

The Bondholders shall cooperate with the Trustee and other meeting conveners in their relevant work, actively attend the Bondholders' meetings, consider resolutions at the meetings, exercise their voting rights, coordinate in promoting the implementation of the valid resolutions passed at the meetings, and protect their own legal rights and interests in a lawful manner. Bondholders present at the meetings shall not make use of the relevant information obtained by attending the meetings for insider dealings, market manipulation, benefit transmission, securities fraud and other illegal activities which may damage the legal rights and interests of other Bondholders. If the Bondholders present at the meeting cause losses to other Bondholders due to the violation of the above provisions, they shall bear the corresponding liability for compensation.

Investors who hold the Convertible Bonds through subscription, trading, transfer, inheritance or other legitimate means are deemed to agree on and accept the relevant stipulations herein and be bound by these rules.

Article 5 The valid resolutions considered and passed at the Bondholders' meetings under the procedures stipulated herein shall be equally binding on all Bondholders. The outcomes of the Trustee's conduct according to the valid resolutions passed at the Bondholders' meetings shall be borne by all Bondholders. If there are other provisions in the laws and regulations or other stipulations in these rules, such provisions or stipulations shall prevail.

Article 6 The Bondholders' meetings shall be witnessed by lawyers. The witnessing lawyers shall issue legal opinions on the convening, holding and voting procedures of the meetings, entitlements to attend the meetings, determination of valid voting rights, legality and validity of resolutions and other matters. Such legal opinions shall be disclosed together with the resolutions passed at the Bondholders' meetings.

Article 7 The Bondholders shall bear their own travelling expenses, accommodations expenses, etc. arising from attending the Bondholders' meetings. The meeting conveners shall bear, on their own, the relevant meeting expenses arising from convening the Bondholders' meetings, unless otherwise agreed in these rules, the bond entrustment management agreement or other agreements

CHAPTER II RIGHTS AND OBLIGATIONS OF THE BONDHOLDERS

Article 8 Rights of the holders of the Convertible Bonds:

- (I) to enjoy the agreed interest based on the amount of the Convertible Bonds held by them;
- (II) to convert the Convertible Bonds held by the Bondholders into the A Shares of the Company subject to the conditions stipulated in the Offering Document;
- (III) to exercise the right of sale back subject to conditions stipulated in the Offering Document;
- (IV) to transfer, grant or pledge the Convertible Bonds held by the Bondholders in accordance with the provisions of laws, administrative regulations and the Articles of Association;
- (V) to obtain relevant information in accordance with the provisions of laws and the Articles of Association;
- (VI) to request the Company to repay the principal and interest for the Convertible Bonds within the agreed period and in the agreed manner as stipulated in the Offering Document;
- (VII) to attend the Bondholders' meetings, either in person or by proxy, and vote at the meetings in accordance with relevant stipulations under laws and administrative regulations, etc.;
- (VIII) other rights as creditors of the Company ascribed by laws, administrative regulations and the Articles of Association.

Article 9 Obligations of the Bondholders of the Convertible Bonds:

- (I) to comply with the relevant provisions of terms of the Convertible Bonds to be issued by the Company;
- (II) to pay the subscription amount based on the amount of the Convertible Bonds subscribed by them;
- (III) to abide by the effective resolutions passed at the Bondholders' meeting;
- (IV) shall not request the Company to repay the principal and interest of the Convertible Bonds in advance, except as required by laws, administrative regulations or as agreed in the Offering Document;
- (V) to bear other obligations that shall be borne by the holders of the Convertible Bonds as required by laws, administrative regulations and the Articles of Association.

CHAPTER III EXTENT OF AUTHORITY OF THE BONDHOLDERS' MEETINGS

Article 10 During the term of the Convertible Bonds, the Bondholders' meetings shall consider and resolve on the matters in which the Bondholders have a material interest within the extent of authority as stipulated in Article 11 hereof.

Save as the matters stipulated in Article 11 hereof, in order to safeguard the benefits of the Bondholders, the Trustee may perform its duties of management entrustment as agreed in the bond entrustment management agreement without a separate authorization from the Bondholders' meetings.

Article 11 During the term of the Convertible Bonds, a Bondholders' meeting shall be convened to make decisions by way of resolutions upon the occurrence of any of the followings:

- (I) proposed amendments on the material terms as set out in the Offering Document:
 - 1. Change in the basic arrangements for bond repayment (including the reimbursement subject, term and the adjustment mechanism for coupon rate);
 - 2. Changes in credit enhancement or other debt repayment protection measures and implementation arrangements thereof (if any);
 - 3. Changes in bond investor protection measures and implementation arrangements thereof;
 - 4. Change in the use of proceeds as set out in the Offering Document;
 - 5. Other significant changes in the arrangements for repayment of the principal and interest of the bonds and matters closely related to the solvency.
- (II) proposed amendments on the rules of procedures of meeting of the Bondholders;
- (III) proposed dismissal, change in the Trustee or change of the main terms of the bond entrustment management agreement (including but not limited to the scope of authorization of entrustment management, the prevention and resolution mechanism of conflict of interests and the liability for breach of contract which is closely related to the rights and interests of the Bondholders);

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
OF A SHARE CONVERTIBLE CORPORATE BONDS**

(IV) to determine or authorize to take corresponding measures (including but not limited to negotiation with the Company and other related parties, initiation of, or involving in, arbitration or litigation proceedings, or other measures in favor of the protection of rights and interests of investors) under the following circumstances:

1. The Company has been or is expected to be unable to pay the principal and interests of the Convertible Bonds when falling due;
2. The Company has been or is expected to be unable to pay other interest-bearing liabilities other than the Convertible Bonds when falling due with the outstanding amount exceeding RMB50 million and 10% of the latest audited net assets of its parent company, which may lead to default of the Convertible Bonds;
3. The Company conducts a capital reduction (other than reduction of capital resulting from the implementation of the share incentive scheme, fulfillment of performance compensation commitments, or share repurchases and cancellation of restricted shares necessary for the Company to safeguard its value and shareholders' interests), merger or division, is ordered to suspend its operation, has its license detained or revoked, is under entrustment or dissolution, files for bankruptcy or is placed under bankruptcy proceedings;
4. The solvency of the Company is severely uncertain due to the failure of the management of the Company to fulfill its responsibilities and duties;
5. The solvency of the Company is severely uncertain due to the transfer of assets or the waiver of creditor's rights or the provision of large-amount guarantees by the Company or its controlling shareholder or de facto controller at nil consideration or apparently unreasonable consideration;
6. Material adverse changes in credit enhancement entities, credit enhancement measures or other debt repayment safeguard measures (if any);
7. Other matters which may significantly and materially affect the interests of the Bondholders.

(V) a major debt restructuring plan proposed by the Company;

(VI) other circumstances that shall be resolved by the Bondholders' meetings, as provided by the laws, administrative regulations, departmental rules and regulatory documents, or stipulated in the Offering Document and these rules.

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The following institutions or persons may propose to convene a Bondholders' meeting in writing:

- (1) The Board of the Company;
- (2) The Bondholders who hold individually or collectively 10% or more of the outstanding Convertible Bonds.

CHAPTER IV PREPARATION FOR THE BONDHOLDERS' MEETINGS

Section I Convening of Meetings

Article 12 The Bondholders' meetings are convened mainly by the Trustee.

During the term of the Convertible Bonds, if one of the circumstances stipulated in Article 11 hereof takes place and the proposals to be considered meet the requirements stipulated herein, the Trustee or the Board of the Company shall, in principle, convene a Bondholders' meeting within 15 trading days, unless otherwise approved for an extension by the Bondholders holding individually or collectively 30% or more of the total outstanding Convertible Bonds during the period. Such extension shall not exceed 15 trading days in principle.

Article 13 The Board of the Company, and the Bondholders holding individually or collectively 10% or more of the outstanding Convertible Bonds (hereinafter collectively referred to as the "Proposers"), have the right to propose to the Trustee for convening a Bondholders' meeting.

If the Proposers propose to convene a Bondholders' meeting, they shall notify in writing the Trustee, and put forward the proposals to be considered which meet the extent of authority and other requirements stipulated herein.

The Trustee shall give a written reply to the Proposers about whether or not to convene the Bondholders' meeting within 5 trading days upon receipt of the written proposal, and state the specific arrangement for convening the meeting or reasons for not convening the meeting. If it is approved, the Bondholders' meeting shall be convened within 15 trading days from the date of written reply, unless otherwise approved for an extension by the Proposers.

If the Bondholders holding collectively 10% or more of the outstanding Convertible Bonds propose to convene a Bondholders' meeting, they may jointly elect 1 representative as their contact person to assist the Trustee in completing the convening of the meeting.

Article 14 If the Trustee disagrees with or fails in convening the meeting as required, the Board of the Company, and the Bondholders holding individually or collectively 10% or more of the outstanding Convertible Bonds, have the right to convene a Bondholders' meeting on their own account, in which case the Trustee shall provide necessary assistance for convening the Bondholders' meeting, including: assisting in the disclosure of the notice of a Bondholders' meeting, meeting results and other documents, causing searches on the register of Bondholders on behalf of the convener and providing contact information, assisting the convener in contacting relevant institutions or individuals that should be present at the meeting, etc.

Section II Raising of and Amendments to Proposals

Article 15 Proposals submitted to the Bondholders' meetings for consideration shall be in compliance with the relevant provisions or stipulations in the laws, administrative regulations, department rules, regulatory documents, business rules of stock exchanges and these rules, and have explicit and practicable matters to be resolved.

The matters to be resolved at the Bondholders' meetings shall, in principle, include the specific proposals or measures to be resolved, implementing entity, implementation time and other relevant important matters.

Article 16 After the convener discloses the notice of a Bondholders' meeting, the Trustee, the Board of the Company, the Bondholders holding individually or collectively 10% or more of the outstanding Convertible Bonds (hereinafter collectively referred to as the "Proposers") may make proposals in writing, and such proposals shall be submitted by the convener to the Bondholders' meeting for consideration.

The convener shall specify the method and period for raising proposals by Proposers in the notice of the meeting.

Article 17 If the Trustee or Bondholders raise a proposal to be considered which requires the Company, its controlling shareholder(s) or actual controller(s) or the successors of debt service obligations to perform obligations or to proceed or implement, the convener and Proposers shall fully communicate and negotiate with relevant institutions or individuals in advance to form practicable proposals as far as possible.

If the Trustee or the Company raises a proposal to be considered which requires approval, promotion or implementation by the Bondholders, the convener and Proposers shall fully communicate and negotiate with the major investors in advance to form practicable proposals as far as possible.

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Article 18 If the Bondholders' meetings intend to authorize the Trustee, or elect a representative to, on behalf of the Bondholders, negotiate and sign agreements with the Company or its controlling shareholder(s) or actual controller(s), the successors of debt service obligations to initiate or participate in arbitration or litigation proceedings on behalf of the Bondholders, the Proposers shall specify the following extent of authority in respect of the matters to be resolved of the proposal for option of the Bondholders:

- (I) special mandate to the Trustee or the representative so elected to handle, with full authority and on behalf of the Bondholders, the relevant matters within the specific extent of authority, including but not limited to reaching an agreement via negotiation or meditation, voting on the draft restructuring plan and reconciliation agreement of the Company during the bankruptcy procedures and other behaviors which materially impact or even impair or assign the benefits of the Bondholders.

- (II) mandate to the Trustee or the representative so elected to handle, on behalf of the Bondholders, the relevant matters within the specific extent of authority, and specifying that, in reaching an agreement via negotiation or meditation, voting on the draft restructuring plan and reconciliation agreement of the Company during the bankruptcy procedures, especially doing something which may impair or assign the benefits of Bondholders, the Trustee or the representative so elected shall seek the opinions of the Bondholders in advance, or convene a Bondholders' meeting for consideration thereof, and act based on the opinions of Bondholders.

Article 19 The convener shall fully communicate with the relevant Proposers, and stakeholders in question in respect of all proposals to be submitted for consideration, and make, or assist the Proposers in making, amendments or improvements to the proposals, in order to ensure, as nearly as possible, the proposals to be submitted for consideration meet the stipulations contained in Article 15 hereof, and there are no substantive contradictions among the proposals to be considered at the same bondholders' meeting.

If it is impossible to avoid substantive contradictions among the matters to be resolved of the proposals to be considered at the same Bondholders' meeting even upon full communication between the convener and the Proposers, such proposals shall be voted according to the stipulations in Article 42 hereof. The convener shall specify the proposals to be voted, voting procedures and conditions precedent in the notice of the Bondholders' meeting.

Article 20 Proposals submitted at the same Bondholders' meeting for consideration shall be made public no later than the trading day preceding the record date. If proposals are not disclosed according to the regulations and stipulations, they shall not be submitted at the Bondholders' meeting for consideration.

Section III Notice of Meetings and Change and Cancellation Thereof

Article 21 The convener shall disclose an announcement on the notice of convening a Bondholders' meeting no later than the 10th trading day prior to the date of such Bondholders' meeting. If the convener deems it in urgent need to convene a Bondholders' meeting which is conducive to protecting the rights and interests of the Bondholders, an announcement on the notice of convening the Bondholders' meeting shall be disclosed no later than the 3rd trading day prior to the date of an on-site meeting (including meeting convened in combination with on-site and off-site means) or the 2nd trading day prior to the date of an off-site meeting.

The contents of the notice announcement stipulated in the preceding paragraph include but not limited to basic information on bonds, time of meeting, convening method of meeting, venue of meeting (if any), proposals to be considered at the meeting, record date, voting method of meeting, voting time and other procedures, entrusted matters, name and contact method of convener and person-in-charge of the meeting, etc.

Article 22 Depending on the contents of the proposals to be considered, a Bondholders' meeting may be convened by on-site (including the form of on-site discussion via the Internet, and this applies to the below sections), off-site means or both. The convener shall specify the convening method and relevant specific arrangement for the meeting in the notice announcement of the Bondholders' meeting. For a meeting convened by way of online voting, the convener shall also disclose, as appropriate, the measures for online voting, voting method, principle and method of vote counting and other information.

Article 23 If the convener intends to convene an on-site Bondholders' meeting, it may set up a link for attendance feedback before the date of the meeting to collect the attendance willingness of the Bondholders, and specify relevant arrangements in the notice announcement of the meeting.

Bondholders who intend to attend the Bondholders' meeting shall provide feedback on attendance in time. If not, their rights to attend and vote at this Bondholders' meeting shall not be affected.

Article 24 If Bondholders disagree with the detailed contents of the notice of a Bondholders' meeting or have comments to supplement regarding thereof, they may communicate and negotiate with the convener, and the convener shall decide whether to adjust relevant matters in the notice.

Article 25 If the convener decides to postpone a Bondholders' meeting or change the convening method, venue of meeting, proposals to be considered and other matters in the notice of the Bondholders' meeting, it shall publish an announcement relating to changes in the notice of the meeting on the same information disclosure platform where the notice of the meeting is published no later than the trading day preceding the original record date.

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Article 26 The convening time of a meeting which has been disclosed shall not be brought forward at will in principle, except for in case of emergency where the Trustee considers the rights of Bondholders would be impaired if the Bondholders' meeting is not convened as soon as possible, provided that the notice time of the meeting meets the stipulations in Article 21 hereof.

Article 27 Upon dispatch of the notice of a Bondholders' meeting, such Bondholders' meeting shall not be canceled at will, unless elimination of the cause for holding such Bondholders' meeting, or occurrence of force majeure events or otherwise stipulated herein.

If the convener intends to cancel such Bondholders' meeting, it shall disclose an announcement on such cancelation with reasons therefor on the same information disclosure platform where the notice of the meeting is published no later than the trading day preceding the original record date in principle.

If the Bondholders' meeting sets up a link for attendance feedback, the outstanding Convertible Bonds represented by the Bondholders who provide a feedback to attend the meeting do not meet the minimum requirement for establishing a meeting as stipulated in Article 29 hereof, and the convener has indicated the risk that the meeting may be canceled in the notice of the meeting, then the convener has the right to cancel such meeting directly.

Article 28 If the convener decides to convene another meeting as the attendees do not meet the minimum requirement for establishing a meeting as stipulated in Article 29 hereof, it may adjust, as appropriate, some of the details of the proposals to be considered based on the relevant opinions of the Bondholders during the convening of the previous meeting, to seek consideration and approval at the Bondholders' meeting to the greatest extent.

If the convener intends to convene another meeting for the proposals of same or similar nature, it shall disclose an announcement on the notice of holding the Bondholders' meeting no later than the 3rd trading day prior to the date of an on-site meeting or the 2nd trading day prior to the date of an off-site meeting, with descriptions, in detail, on the following matters:

- (I) relevant opinions of the Bondholders on the proposals to be considered during the convening of the previous meeting;
- (II) adjustments to the proposals to be considered at this meeting compared to those considered at the previous meeting and reasons therefor;
- (III) possible impacts on rights and interests of investors from whether or not the proposals to be considered will be passed at this meeting;

(IV) if the attendees of this Bondholders' meeting still fail to meet the stipulated requirement, the relevant arrangements of convener for subsequent cancelation or convening another meeting, as well as possible impacts on the rights and interests of investors.

**CHAPTER V CONVENING AND RESOLUTIONS OF THE
BONDHOLDERS' MEETINGS**

Section I Convening of the Bondholders' Meetings

Article 29 A Bondholders' meeting may be held when the Bondholders representing a half or more of the outstanding Convertible Bonds carrying voting rights are present. Sign-in at an on-site meeting or voting at an off-site meeting shall be deemed to attend such Bondholders' meeting.

Article 30 The Bondholders who appear on the register of Bondholders on the record date and those holding the outstanding Convertible Bonds may be entitled to attend and vote at a Bondholders' meeting, unless otherwise stipulated herein.

The record date referred to in the preceding paragraph means the trading day preceding the date of the Bondholders' meeting. In the event of a change in holding time of the Bondholders' meeting with causes, the record date may be adjusted accordingly.

Article 31 The Trustee of the Convertible Bonds shall attend and organize to hold a Bondholders' meeting, or provide necessary assistance in convening a Bondholders' meeting by relevant institutions or individuals on their own according to the stipulations in Article 14 hereof, and promote communications and negotiations among the Bondholders, and between the Bondholders, and the Company, its controlling shareholder(s) and actual controller(s) and the successors of debt service obligations at an on-site Bondholders' meeting to form valid and practicable resolutions, etc.

Article 32 If a proposal to be considered requires the Company, its controlling shareholder(s) and actual controller(s), or the successors of debt service obligations to perform obligations or to proceed or implement, the above institutions or individuals shall, as required by the Trustee or the convener, arrange personnel with corresponding authority to attend an on-site Bondholders' meeting on time, provide relevant explanations to the Bondholders, accept enquiries of the Bondholders, etc., communicate and negotiate with the Bondholders, and specify relevant arrangements for matters to be resolved of the proposal to be considered.

Article 33 Credit rating agencies may be invited by the convener to attend an on-site Bondholders' meeting, and continue to follow up the credit status of the Company, its controlling shareholder(s) and actual controller(s), or the successors of debt service obligations with disclosure of follow-up rating reports thereon in a timely manner.

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
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Article 34 The Bondholders may attend and vote at a Bondholders' meeting on their own, or appoint the Trustee, other Bondholders or other proxies (hereinafter collectively referred to as the "Proxies") to attend and vote at the Bondholders' meeting within the extent of authority.

For the Bondholders attending an on-site Bondholders' meeting on their own, they shall produce certificates of their own identity and entitlements to attend the meeting as required by the notice of the meeting. For the Bondholders appointing Proxies to attend an on-site Bondholders' meeting, the Proxies shall also produce the certificates of their own identity and the power of attorney issued by the principal setting out the Proxies' authority, except for the legal representative of a Bondholder attending and voting at the meeting in person.

For the Bondholders' meetings held via off-site means, the convener shall specify in the notice of the meeting the method for determining entitlements of the Bondholders or their Proxies to attend the meeting, voting method, method of vote counting and other matters.

Article 35 The Trustee may, as a solicitor, solicit Bondholders to appoint it to attend and vote at a Bondholders' meeting within the extent of authority on behalf of Bondholders. The solicitor shall provide Bondholders with explanations in an objective manner on the subject and matters to be voted at the Bondholders' meeting, and shall not conceal, mislead or solicit with payment. If the solicitor attends and votes at the Bondholders' meeting on behalf of Bondholders, the solicitor shall obtain a power of attorney from the Bondholders.

Article 36 The agenda of a Bondholders' meeting may include but not limited to:

- (I) the convener introduces the cause for convening the meeting, background and attendees;
- (II) the convener or Proposers introduce the background, detailed contents, feasibility and other contents of the proposals raised;
- (III) the Bondholders with voting rights inquire the Proposer or other stakeholders present at the meeting for the proposals to be considered, and communicate and negotiate among the Bondholders, and between the Bondholders, and the Company, its controlling shareholder(s) and actual controller(s) and the successors of debt service obligations in connection with the proposals to be considered in the circumstances stipulated in Article 17 hereof;
- (IV) the Bondholders with voting rights vote according to the procedures stipulated herein.

Section II Voting at the Bondholders' Meetings

Article 37 Voting at the Bondholders' meetings shall take place by way of open ballot.

Article 38 When voting by the Bondholders, every outstanding bond shall have one vote, except for the bonds directly held or indirectly controlled by the following institutions or persons:

- (I) the Company and its related parties, including the Company's controlling shareholder(s), actual controller(s), subsidiaries within the scope of consolidation, and affiliated companies under the control of the same actual controller (except under the same control of the State only), etc.;
- (II) the successors of debt service obligations;
- (III) other institutions or individuals with conflict of interest in the matters to be considered.

Before voting at a Bondholders' meeting, the above institutions, individuals or the managers of asset management products they entrust for investment shall take the initiative to declare related relationships or conflict of interest to the convener and abstain from voting.

Article 39 The Bondholders present at the meeting and with voting rights shall vote according to three types, namely "for", "against" and "abstention", and voting opinions shall not be conditional. Voting with no explicit opinions, conditional voting, voting with multiple opinions on the same resolution, unreadable voting or voting which is not submitted at the on-site meeting, shall be deemed as "abstention" in principle.

Article 40 A Bondholders' meeting shall be conducted on a continual basis until completion of voting on all proposals. Except for special reasons such as force majeure that results in suspension of a Bondholders' meeting, failure to make any resolution or approval for delay in voting through unanimous consent by all the Bondholders present at the meeting, no matters to be considered as set forth in the notice of the meeting may be shelved or not be voted upon at the Bondholders' meeting.

For suspension of a meeting or failure to make any resolution caused by failure of online voting system, electronic communication system and other technical reasons, the convener shall adopt necessary measures to resume the meeting as soon as possible or change voting method, and an announcement shall be made timely.

Article 41 The Bondholders present at the meeting shall vote on the proposals submitted for consideration item by item according to the order of proposals disclosed in the notice of the meeting.

Article 42 In the event of the circumstances stipulated in the second paragraph of Article 19 hereof, the convener shall provide special explanations on the contents of proposals with contradictions in matters to be resolved, and submit the relevant proposals at the same Bondholders' meeting for voting. The Bondholders may vote "for" one of the proposals only, otherwise all votes thereon shall be deemed as "abstention".

Section III Taking Effect of Resolutions of the Bondholders' Meetings

Article 43 Resolutions of a Bondholders' meeting on one of the following major matters within the extent of authority stipulated in Article 11 hereof and with conditions precedent thereto being satisfied may take effect upon approval by two thirds or more of the voting rights held by all the Bondholders with voting rights:

- (I) proposed consent to assuming by a third party of the repayment obligations of the Convertible Bonds;
- (II) proposed downward adjustment to interest rate by the Company, unless the Offering Document of the Bonds has clearly stipulated that the Company shall have corresponding decision right unilaterally;
- (III) proposed reduction or exemption of, or delay in repayment of, the principal and interest payable on the Convertible Bonds by the Company or other third parties with repayment obligations, unless the Offering Document of the Bonds has clearly stipulated that the issuer shall have corresponding decision right unilaterally;
- (IV) proposed reduction or exemption of, or delay in payment of, money by credit enhancement providers or other third parties with repayment obligations;
- (V) proposed amendments to the Offering Document of the Bonds or relevant stipulations herein to realize items (I) to (IV) under this Article, either directly or indirectly;
- (VI) proposed amendments to relevant stipulations herein concerning the extent of authority of the Bondholders' meetings;

Article 44 Resolutions of a Bondholders' meeting on other general matters within the scope stipulated in Article 11 hereof (other than the major matters stipulated in Article 43 hereof) and with conditions precedent thereto being satisfied may take effect upon approval by a half or more of the voting rights held by the Bondholders present at the Bondholders' meeting and with voting rights. If there are other stipulations herein, such stipulations shall prevail.

Where the convener convenes three consecutive Bondholders' meetings for the resolutions on the general matters which are substantially the same or similar to those stated in the preceding paragraph, and the number of attendees at each meeting does not meet the minimum requirement for convening a meeting as stipulated in Article 29 of these rules, the relevant resolutions shall become effective only after being approved by more than one-third of the voting rights held by the Bondholders attending the third Bondholders' meeting.

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
OF A SHARE CONVERTIBLE CORPORATE BONDS**

Article 45 If the proposals of a Bondholders' meeting require the Company, its controlling shareholder(s) and actual controller(s) or the successors of debt service obligations to perform obligations or to proceed or implement, but the conditions precedent are not satisfied due to failure to reach a consensus with relevant institutions or individuals above through negotiation, the Bondholders' meeting may authorize the Trustee, the relevant institutions or individuals above or qualified Bondholders to put forward proposals for adoption of corresponding measures according to these rules, and submit the same to the Bondholders' meeting for consideration.

Article 46 Where the proposals to be considered at a Bondholders' meeting involve the matters where the Trustee or a representative elected is authorized to initiate or participate in arbitration or litigation requiring the Company or credit enhancement providers to repay the principal and interest of bonds or perform the obligations of credit enhancement, or to apply for or participate in bankruptcy restructuring or bankruptcy liquidation of the Company, or to participate in bankruptcy reconciliation of the Company on behalf of the Bondholders, and if it is authorized by all the Bondholders, the Trustee or the representative elected shall initiate or participate in relevant arbitration or litigation proceedings on behalf of all the Bondholders; if it is authorized by part of the Bondholders only, the Trustee or the representative elected shall initiate or participate in relevant arbitration or litigation proceedings on behalf of the Bondholders who have granted authorizations only.

Article 47 Voting results of a Bondholders' meeting shall be counted and calculated jointly by a representative designated by the convener and the witnessing lawyer, and be included in the meeting minutes by the Trustee. The convener shall disclose the rules for vote counting and scrutinizing in the notice of the meeting, and determine vote counters and scrutineers before voting at the meeting.

Voting results of the Bondholders' meeting shall, in principle, not be announced earlier than the disclosure date of resolutions of the Bondholders' meeting. If the convener announces the voting results at the on-site meeting, relevant information shall be included in the meeting minutes.

Article 48 If the Bondholders disagree with the voting results, they may apply to the convener for inspecting the votes cast at the meeting, vote counting results, meeting minutes and other relevant meeting materials, and the convener shall render cooperation.

**CHAPTER VI SUBSEQUENT EVENTS AND IMPLEMENTATION OF RESOLUTIONS
OF THE BONDHOLDERS' MEETINGS**

Article 49 Minutes of a Bondholders' meeting shall be prepared by the Trustee, and be signed jointly by a representative designated by the convener and the witnessing lawyer.

Minutes of a meeting shall contain the following particulars:

- (I) name (including session), convening and voting time, convening method and venue (if any) of the Bondholders' meeting;
- (II) name, identity, proxy authority of Bondholders and their Proxies, if any, present at the Bondholders' meeting, either on-site or off-site, aggregate nominal value and proportion of the Convertible Bonds they represent, and whether with vote rights or not;
- (III) agenda of the meeting;
- (IV) main points of enquiries by the Bondholders, brief information on communication and negotiation among the Bondholders, particulars of communication and negotiation between the Bondholders, and the Company, its controlling shareholder(s) and actual controller(s) and the successors of debt service obligations in respect of the proposals to be considered in the circumstances stipulated in Article 17 hereof as well as details of changes to the proposals to be considered, if any;
- (V) voting procedures (if voting in batches);
- (VI) voting on each proposal and its results.

Minutes of the Bondholders' meeting, votes, certificates of the Bondholders' entitlements to attend the meeting, power of attorney of the Proxies and other meeting materials shall be kept by the Trustee for a term of at least 5 years after the termination of the debtor-creditor relationship in connection with the Convertible Bonds.

The Bondholders have the right to apply for inspecting the materials of all meetings convened during their holding of the Convertible Bonds, and the Trustee shall not decline their application.

Article 50 The convener shall disclose an announcement on resolutions of a Bondholders' meeting no later than the next trading day following the last day for voting at the meeting, and such announcement shall include, without limitation to, the following particulars:

- (I) convening of the Bondholders' meeting, including name (including session), convening and voting time, convening method, venue (if any), etc.;

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
OF A SHARE CONVERTIBLE CORPORATE BONDS**

- (II) voting rights held by the Bondholders present at the meeting and validity of the meeting;
- (III) subject matter and matters to be resolved of each proposal, its voting results and whether it takes effect or not;
- (IV) other major events subject to announcement.

Article 51 The Trustee shall actively implement, and timely notify the Company or other relevant parties and procure it or them to respond to the valid resolutions of a Bondholders' meeting formed in accordance with the extent of authority and meeting procedures stipulated herein.

If the valid resolutions of a Bondholders' meeting require the Company, its controlling shareholder(s) and actual controller(s) or the successors of debt service obligations to perform obligations or to proceed or implement, the relevant institutions or individuals above shall earnestly perform corresponding obligations, or proceed or implement the valid resolutions according to the provisions, stipulations or relevant undertakings, and disclose the progress of implementation of the resolutions. If relevant institutions or individuals do not implement the valid resolutions of the Bondholders' meeting according to the provisions, stipulations or relevant undertakings, the Trustee shall adopt further measures to earnestly protect the rights and interests of the Bondholders.

The Bondholders shall actively cooperate with the Trustee, the Company or other relevant parties in promoting and implementing the relevant matters on the valid resolutions of the Bondholders' meeting.

Article 52 If the Bondholders authorize the Trustee to initiate or participate in arbitration or litigation proceedings on disputes from breach of contract relating to the bonds, or to apply for or participate in bankruptcy proceedings, the Trustee shall diligently perform corresponding obligations according to the extent of authority, implementation arrangements and other requirements. The reasonable expenses incurred by the Trustee from initiating or participating in the arbitration, litigation or bankruptcy proceedings shall be borne by the Bondholders who have granted authorizations, or be prepaid by the Trustee under the agreement with the Bondholders. If there are other stipulations in the bond entrustment management agreement, such stipulations shall prevail.

Where the Trustee is authorized by part of the Bondholders only to initiate or participate in arbitration or litigation proceedings on disputes from breach of contract relating to the bonds, or to apply for or participate in bankruptcy proceedings, and the other Bondholders later explicitly indicate to entrust the Trustee to initiate or participate in the arbitration or litigation proceedings, the Trustee shall then initiate or participate in the arbitration or litigation proceedings on behalf of all the Bondholders who have granted such authorization. The Trustee may also solicit the Bondholders who have not granted authorization previously to initiate or participate in the arbitration or litigation proceedings on behalf of them with reference to the stipulations in Article 35 hereof. The Trustee shall not treat the Bondholders differently due to different time and method of authorization, except for different rights of the Bondholders objectively not for subjective reasons of the Trustee.

If other Bondholders do not entrust the Trustee to initiate or participate in arbitration or litigation proceedings, they may initiate or participate in the arbitration or litigation proceedings on their own, or appoint or elect other representatives to initiate or participate in the arbitration or litigation proceedings.

If the Trustee fails to diligently initiate or participate in arbitration or litigation proceedings on behalf of the Bondholders according to the stipulations in the authorization document, or otherwise neglects its duties during the process, the Bondholders may individually or jointly, or elect other representatives to, initiate or participate in the arbitration or litigation proceedings.

CHAPTER VII SPECIAL STIPULATIONS

Section I Special Stipulations on Voting Mechanism

Article 53 Where the Bondholders exercise their sale-back options or other rights provided in the laws or stipulated in the Offering Document which cause the rights of part of the Bondholders to claim repayment by the Company to be different from those of other Bondholders of the same period, the Bondholders with the same rights of claim may separately vote on the matters which do not relate to the interests of other Bondholders.

The matters referred to in the preceding paragraph shall be proposed by the Trustee, the Bondholders holding 10% or more of all outstanding bonds carrying the same rights of claim or other qualified Proposers as special proposals, and shall be voted by the concerned Bondholders with only the Trustee as the convener.

If the Trustee intends to convene a Bondholders' meeting to consider the special proposals, it shall disclose in the notice of the meeting the contents of the proposals, scope of the Bondholders to vote, conditions precedent, with clear explanations on the reasons for not submitting relevant proposals to all the Bondholders for voting and whether there would be any adverse impacts on the investors who do not vote after passing of the proposals.

Conditions precedent to the special proposals shall be subject to the conditions specified by the Trustee in the notice of the meeting. The witnessing lawyer shall express its explicit opinions on the validity of the special proposals in the legal opinions.

Section II Simplified Procedures

Article 54 The Trustee may convene a Bondholders' meeting according to the simplified procedures stipulated in this section upon occurrence of the relevant matters stipulated in Article 11 hereof and in the event of one of the following circumstances, unless otherwise stipulated herein, in which case such stipulations shall prevail:

- (I) the Company intends to change the use of proceeds from the bonds, after which the solvency of the issuer will not be impacted;

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
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- (II) the Trustee intends to implement relevant matters on behalf of the Bondholders, which is expected to cause no material adverse impacts on the protection of rights and interests of the Bondholders;
- (III) the Offering Document, these rules, the bond entrustment management agreement and other documents have clearly stipulated the obligations on the part of the Company, the Trustee and other entities upon occurrence of relevant unfavorable events, but do not clearly stipulate the detailed execution arrangements or on the failure of the relevant entities to fully perform corresponding obligations within the stipulated time, which shall be further stipulated;
- (IV) the Trustee and the Proposers have communicated and negotiated with the Bondholders with voting rights in respect of the proposals, and the Bondholders representing more than half of the voting rights held by the Bondholders present at the Bondholders' meeting and with voting rights (for the purpose of the general matters) or two thirds or more of the voting rights held by all the Bondholders with voting rights (for the purpose of the major matters) have approved the contents of the proposals;
- (V) Number of holders of all outstanding bonds (several accounts held by the same manager are consolidated in calculation) does not exceed 4 and all of them approve in writing the convening and holding of a meeting based on simplified procedures.

Article 55 In the event of the circumstances under items (1) and (2) in Article 54 hereof, the Trustee may make an announcement stating the contents of the measures to be taken by the Company or the Trustee, expected impacts on the Company's solvency, the protection of rights and interests of investors, etc. If the Bondholders dissent, they shall give a reply to the Trustee within 5 trading days after the date of the announcement. If they do not give a reply within the specified time, they shall be deemed to agree with the opinions or suggestions contained in the announcement made by the Trustee.

For the matters which the Bondholders dissent, the Trustee shall actively communicate with the dissenters, and decide whether to adjust relevant contents depending on the conditions and then seek opinions of the Bondholders, or terminate the application of simplified procedures. If the Bondholders holding individually or collectively 10% or more of the outstanding Convertible Bonds propose to terminate the application of simplified procedures during the dissenting period, the Trustee shall terminate immediately.

Upon expiry of the dissenting period, it shall be deemed that such meeting have been held and vote have been completed. The Trustee shall determine the results of the meeting according to the stipulations in the first paragraph of Article 44 hereof, and disclose the announcement on resolutions of the Bondholders' meeting and the legal opinion issued by the witnessing lawyer on the next day.

**APPENDIX VII THE RULES OF PROCEDURES OF MEETING OF THE BONDHOLDERS
OF A SHARE CONVERTIBLE CORPORATE BONDS**

Article 56 In the event of the circumstances under items (3) to (5) in Article 54 hereof, the Trustee shall disclose an announcement on the notice of convening a Bondholders' meeting with detailed explanations on the matters to be resolved, the implementation arrangements of the proposals to be considered, the expected impacts on the Company's solvency, the protection of rights and interests of investors, convening and voting methods of the meeting and other matters no later than the 3rd trading day prior to the date of an on-site meeting or the 2nd trading day prior to the date of an off-site meeting. The Bondholders may vote in the manner as specified in the notice of the meeting.

Convening, voting, taking effect and implementation of resolutions of a Bondholders' meeting shall still be subject to the stipulations in Chapter V and Chapter VI hereof.

CHAPTER VIII SUPPLEMENTAL PROVISIONS

Article 57 These rules shall take effect from the date of completion of the issuance of the Convertible Bonds upon consideration and approval at the general meeting of the Company.

Article 58 Where laws, administrative regulations and regulatory documents have clear stipulations on the rules of procedures of the Bondholders' meeting, such stipulations shall prevail. If there are any changes or supplements to some of the stipulations herein according to the procedures stipulated herein, such changes or supplements to the rules shall, together with these rules, constitute stipulations which have equal effect to all Bondholders.

Article 59 If there is any inconsistency or contradiction between relevant stipulations herein and those in the Offering Document, the stipulations in the Offering Document shall prevail; and if there is any inconsistency or contradiction with the bond entrustment management agreement or other stipulations, these rules shall prevail except for relevant contents which have been clearly stipulated in the Offering Document and have been disclosed.

Article 60 For any disputes arising from the convening, holding and voting procedures of a Bondholders' meeting, validity of resolutions and other matters relating to the Bondholders' meeting, a lawsuit shall be brought to the people's court with jurisdiction of the place where the Company is located.

Article 61 As agreed in these rules, the expressions of "above" and "within" shall be inclusive of the stated figure, while the expressions of "over" and "more than" shall be exclusive of the stated figure.

The Board of Directors of CGN Power Co., Ltd.
June 21, 2024

**THE RESOLUTION ON CONSIDERATION OF PROPOSING THE
AUTHORIZATION TO THE BOARD OR ITS AUTHORIZED PERSONS GRANTED
BY THE GENERAL MEETING OF SHAREHOLDERS TO MANAGE THE
PARTICULARS OF THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE
BONDS TO NON-SPECIFIC INVESTORS AT ITS SOLE DISCRETION**

I. BACKGROUND

CGN Power Co., Ltd. (hereinafter referred to as the “Company”) intends to apply for the issuance of A Share Convertible Bonds (hereinafter referred to as the “Convertible Bonds”) to non-specific investors and their listing (hereinafter referred to as the “Issuance”). For the purpose of completion of the Issuance in an efficient and orderly manner, it intends to propose the general meeting of the Company to authorize the Board or its authorized persons to deal with the matters relating to the Issuance.

II. MAIN CONTENTS

It is to propose the general meeting of the Company to authorize the Board or its authorized persons to deal with the specific matters relating to the Issuance, including but not limited to the following:

- (I) properly revise, adjust and supplement the issuance terms within the scope permitted by the relevant laws, regulations, rules, normative documents and the Articles of Association, according to the opinions of the regulatory authorities and taking into account the actual situation of the Company; clarify the specific issuance terms and plans prior to the Issuance, formulate and implement the final plan of the Issuance, including but not limited to determination of size of issuance, method of the Issuance and target subscribers, bond interest rate, specific quantity to be subscribed by the existing A Shareholders in priority, determination of initial conversion price, adjustment of conversion price, redemption, right to convene the bondholders’ meetings and its procedures, conditions to effectuate the resolutions, determination of the timing of the Issuance, opening or adding special accounts for the proceeds raised, entering into trilateral supervisory agreements for the deposit in the special accounts for the proceeds raised and all other matters relating to the Issuance;
- (II) engage relevant intermediaries of the Issuance, including but not limited to sponsors, lead underwriters, convertible bond trustees, law firms, audit firms, rating agency and capital verification agency;

- (III) proceed with the application and registration matters in the Issuance and listing, including but not limited to preparing, revising and submitting the application documents in relation to the Issuance according to the requirements of regulatory authorities;
- (IV) amend, supplement, sign, deliver, submit and execute all agreements, contracts and documents in relation to the Issuance (including but not limited to underwriting and sponsor agreements, the agreements in relation to the projects to be invested by the proceeds raised and the agreements to engage intermediaries);
- (V) amend the relevant provisions of the Articles of Association according to the status of the Issuance and share conversion of Convertible Corporate Bonds, and handle such matters as industrial and commercial filing, registration of change of registered capital and the listing of the Convertible Corporate Bonds;
- (VI) within the scope of investment of the proceeds raised as considered and approved at the general meetings, according to the actual progress and capital requirements of the projects to be invested by the proceeds raised in the Issuance, adjust or determine the specific use of proceeds raised; before the proceeds raised in the Issuance are deposited in the accounts, determine that the Company can invest in the projects to be invested by the proceeds raised by self-financing first, after the proceeds raised in the Issuance are deposited in the accounts, the funds that have been invested in the projects shall be replaced; according to relevant laws and regulations, requirements of regulatory authorities as well as market conditions, make necessary adjustments to the projects to be invested by the proceeds raised;
- (VII) within the term of the Convertible Corporate Bonds to be issued in the Issuance and in compliance with the relevant laws, regulations, rules and regulatory documents and the requirements of relevant regulatory authorities and the Articles of Association, handle all the matters related to the redemption, sale back, conversion and interest payment of the Convertible Corporate Bonds;
- (VIII) in the event that there is any change in regulatory policies or market conditions in respect of the issuance of the Convertible Corporate Bonds, except for the matters that shall be considered and approved at a general meeting of the Company in accordance with relevant laws, regulations, rules, regulatory documents and the Articles of Association, adjust the specific plans and other related matters of the Issuance accordingly;

- (IX) in the case where there are updated regulations and requirements on the refinancing for remedying spot returns pursuant to the relevant laws, regulations and the regulatory authorities, according to the then latest regulations and requirements of the regulatory authorities, further analyze, research and substantiate the impact of the Issuance on the Company's immediate financial indicators and the Shareholders' spot returns, formulate and revise relevant remedies, and fully handle other related matters;
- (X) in case of force majeure or other circumstances that make the plan of the Issuance difficult to be implemented, or while it can be implemented, adverse consequences would be brought to the Company, or there are any changes in the policies of issuing the Convertible Corporate Bonds, postpone or terminate the implementation of the plan of the Issuance according to its discretions;
- (XI) subject to the permission of relevant laws, regulations and regulatory documents, it shall have full authority to handle all other matters which are necessary, proper or appropriate in connection with the Issuance;
- (XII) the persons authorized by the Board: subject to the approval of the Company's general meeting and class meeting to handle the specific matters relating to the Issuance, the President and/or the Board Secretary are delegated the authority to exercise the specific matters relating to the Issuance (unless otherwise resolved by the Board).

Among the above authorisation matters, except for those in Items (V), (VI), (VII) and (XII) which are valid until the date when the relevant matters are completed, the remaining authorisation matters are valid within 12 months from the date of considering and approving the resolution at the general meeting and class meeting.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTEREST

As of the Latest Practicable Date, none of the Directors, Supervisors or the chief executive of our Company had any interest and/or short position in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules to be notified to our Company and the Hong Kong Stock Exchange.

3. DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as the Directors are aware, as of the Latest Practicable Date, the following persons had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of our Company carrying rights to vote in all circumstances at general meeting of our Company:

Shareholder	Capacity/Nature of Interest	Number/Class of Shares	Approximate % in the Relevant Class of Share (%)	Approximate % of issued Shares of the Company (%)
CGN	Beneficial owner	29,176,641,375	74.17	57.78
		A Shares (L)		
		560,235,000	5.02	1.11
		H Shares (L)		
Guangdong Hengjian Investment Holdings Co., Ltd.	Beneficial owner	3,428,512,500 A Shares (L)	8.72	6.79
BlackRock, Inc.	Interest of controlled corporation	667,860,059 H Shares (L)	5.98	1.32

Shareholder	Capacity/Nature of Interest	Number/Class of Shares	Approximate % in the Relevant Class of Share (%)	Approximate % of issued Shares of the Company (%)
BlackRock, Inc.	Interest of controlled corporation	5,148,000 H Shares (S)	0.05	0.01

Notes:

- (1) (L) denotes long position, and (S) denotes short position.
- (2) As at the Latest Practicable Date, none of the Directors is a director or employee of a company which had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of our Group since December 31, 2023, being the date to which the latest published audited financial statements of our Group were made up.

5. MATERIAL ACQUISITION

During the period subsequent to December 31, 2023 (being the date to which the latest published audited financial statements of our Company were made up) and up to the Latest Practicable Date, none of the subsidiaries of our Group had acquired or agreed to acquire or was proposing to acquire a business or an interest in the share capital of a company whose profits and assets make or would make a material contribution to the figures in the auditor's report or in the next published accounts of our Company.

6. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors or Supervisors had entered, or proposed to enter, into a service contract with any member of the Group, other than service contracts expiring or terminable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

7. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS

As of the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Enlarged Group since December 31, 2023, being the date to which the latest published audited financial statements of our Group were made up.

8. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

None of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which is significant in relation to the business of the Group.

9. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of the Latest Practicable Date, save as disclosed below and so far as the Directors were aware, none of the Directors and their respective close associates had interest in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of our Group.

Name of Director	Position in our Company	Other Interests
Mr. Yang Changli	Chairman of the Board and non-executive Director	Chairman of CGN
Mr. Gao Ligang	Executive Director and President	Director and general manager of CGN
Ms. Li Li	Non-executive Director	Director of CGN
Mr. Pang Songtao	Non-executive Director	Deputy general manager of CGN

10. EXPERT AND CONSENTS

The following are the qualifications of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
TC Capital	Licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance

The expert referred to above has given and has not withdrawn its written consent to the issue of this circular with the expert's statement included in the form and context in which it is included.

To the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, none of the experts referred to above had any shareholding in any subsidiaries of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any subsidiaries of our Group.

As at the Latest Practicable Date, none of the expert referred to above, directly or indirectly, had any interest in any assets which had since December 31, 2023 (being the date to which the latest published audited financial statements of our Company were made up) been acquired or disposed of by or leased to any subsidiaries of the Group, or were proposed to be acquired or disposed of by or leased to any subsidiaries of the Group.

11. LITIGATION

As of the Latest Practicable Date, no subsidiary of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any subsidiaries of the Group.

12. GENERAL

- (a) The joint company secretaries of the Company are Mr. Yin Engang and Ms. Ng Sau Mei. Ms. Ng Sau Mei is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (b) The registered address of our Company as registered with the Administration for Industry and Commerce is at 18/F, South Tower, CGN Building, No. 2002 Shennan Road, Futian District, Shenzhen.
- (c) The address of the H Share Registrar, Computershare Hong Kong Investor Services Limited, and transfer office of our Company in Hong Kong is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) All references to times in this circular refer to Hong Kong times.
- (e) In the event of any inconsistency, the Chinese language text of this circular shall prevail over the English language text.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and our Company (www.cgnp.com.cn) from the date of this circular up to 14 days (inclusive) thereafter:

- (a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out from pages 32 to 33 in this circular;
- (b) the letter from the Independent Financial Advisor, the text of which is set out from pages 34 to 57 in this circular; and
- (c) the written consent referred to in paragraph headed “Expert and Consents” in this appendix.

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 first extraordinary general meeting (the “EGM”) of CGN Power Co., Ltd.* (the “Company”) will be held at 2:30 p.m. on Thursday, August 8, 2024 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on satisfaction of the conditions of the Issuance of A Share Convertible Corporate Bonds to non-specific investors by the Company
2. To consider and approve the resolution on the feasibility analysis report on the use of proceeds from the Issuance of A Share Convertible Corporate Bonds to non-specific investors
3. To consider and approve the resolution on the report on the use of proceeds previously raised
4. To consider and approve the resolution on the remedial measures and undertakings by relevant parties in relation to dilutive impact on immediate returns of the Issuance of A Share Convertible Corporate Bonds to non-specific investors
5. To consider and approve the resolution on the rules of procedures of meeting of the bondholders of A Share Convertible Corporate Bonds of CGN Power Co., Ltd.

SPECIAL RESOLUTIONS

6. To consider and approve the resolution on the Issuance of A Share Convertible Corporate Bonds to non-specific investors (the following resolutions to be voted item by item)
 - 6.1 Type of securities to be issued;

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

- 6.2 Size of the Issuance;
 - 6.3 Par value and issue price;
 - 6.4 Bonds term;
 - 6.5 Coupon rate;
 - 6.6 Term and method of principal and interest payment;
 - 6.7 Guarantees;
 - 6.8 Conversion period;
 - 6.9 Determination and adjustment of the Conversion Price;
 - 6.10 Terms of downward adjustment to the Conversion Price;
 - 6.11 Method for determining the number of A Shares for conversion and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share;
 - 6.12 Terms of redemption;
 - 6.13 Terms of sale back;
 - 6.14 Entitlement to dividend in the year of conversion;
 - 6.15 Method of the Issuance and target subscribers;
 - 6.16 Subscription arrangement for the existing A Shareholders;
 - 6.17 Matters relating to the meetings of Bondholders;
 - 6.18 Use of proceeds;
 - 6.19 Management and deposit for proceeds raised;
 - 6.20 Rating; and
 - 6.21 Validity period of the Issuance plan
7. To consider and approve the resolution on the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

8. To consider and approve the resolution on the demonstration and analysis report regarding the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors
9. To consider and approve the resolution on authorization to the Board or its authorized persons granted by the general meeting of Shareholders to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors at its sole discretion
10. To consider and approve the resolution on the Possible Subscription of the Company's substantial shareholders for the preferential placement of the Issuance of A Share Convertible Corporate Bonds to non-specific investors

By Order of the Board

CGN Power Co., Ltd.*

Yin Engang

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

The PRC, July 5, 2024

As at the date of this notice, the Board of the Company comprises Mr. Gao Ligang as an executive Director; Mr. Yang Changli, Ms. Li Li, Mr. Pang Songtao, Mr. Feng Jian and Mr. Liu Huanbing as non-executive Directors; Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua as independent non-executive Directors.

* *For identification purpose only*

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

- a) All resolutions put to the vote at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Hong Kong Listing Rules**”), and the results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.

- b) Closure of the register of members and the eligibility for attending and voting at the EGM

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the Company’s register of members will be closed from Tuesday, July 9, 2024 to Thursday, August 8, 2024, both days inclusive, during which period no transfer of H Shares of the Company will be effected. The Shareholders whose names appear on the Company’s register of shareholders on Tuesday, July 9, 2024 shall be entitled to attend and vote at the EGM. In order to be eligible for attending and voting at the EGM, all transfer documents of H Shares together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar of the Company, namely, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, July 8, 2024.

- c) Reply slip

The Shareholders who intend to attend and vote at the EGM (in person or by a proxy) shall complete the reply slip enclosed in the circular, and return it for registration by hand, by mail or by fax on or before Thursday, July 18, 2024 to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (in case of H Shareholders). Completion and return of the reply slip will not preclude you from attending or voting at the EGM.

- d) Proxy

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more persons (if the Shareholder holds two or more issued shares of the Company with a nominal value of RMB1.00 each), whether such person is a shareholder of the Company or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the EGM.

The proxy concerned must be appointed with a form of proxy. The form of proxy concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the form of proxy shall be affixed with the seal of the legal person or signed by its director or a representative duly authorized in writing. If the form of proxy of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized, and served at the same time as the form of proxy. The form of proxy of the Shareholders’ proxy shall be served to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (in case of H Shareholders) at least 24 hours before the scheduled time for holding of the EGM or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy, you can attend and vote in person at the EGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares in person or by a proxy at the EGM as the only holder entitled to vote. If more than one registered joint holders attend the EGM in person or by a proxy, only the vote of the person whose name appears first in the register of members relating to the joint holders (in person or by a proxy) will be accepted as the only vote of the joint holders.

NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING

e) Miscellaneous

- (i) The Company's Shareholders or their proxies shall present their identity documents when attending the EGM (or any adjournment thereof). If the legal representative of corporate Shareholders or any other persons officially authorized by the corporate Shareholders are present at the EGM (or any adjournment thereof), such legal representative or other persons shall present their identity documents and the certifying documents for appointment as a legal representative or valid authorization documents (as the case may be).
- (ii) The EGM is expected to last for no more than half of a working day. Shareholders and representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.
- (iii) Address of Computershare Hong Kong Investor Services Limited:

17M Floor,
Hopewell Centre, No. 183 Queen's Road East,
Wan Chai,
Hong Kong
Tel: (852) 2862 8628
Fax: (852) 2865 0990

Address of the Company's headquarters in the PRC:

18/F, South Tower, CGN Building,
No. 2002 Shennan Road, Shenzhen, Guangdong Province, PRC
Tel: (86) 755 84430888
Fax: (86) 755 83699089

NOTICE OF THE 2024 SECOND H SHAREHOLDERS' CLASS MEETING



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)

NOTICE OF THE 2024 SECOND H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 second H Shareholders' Class Meeting (the "**H Shareholders' Class Meeting**") of CGN Power Co., Ltd.* (the "**Company**") will be held at 3:30 p.m. on Thursday, August 8, 2024 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the resolution on the Issuance of A Share Convertible Corporate Bonds to non-specific investors (the following resolutions to be voted item by item)
 - 1.1 Type of securities to be issued;
 - 1.2 Size of the Issuance;
 - 1.3 Par value and issue price;
 - 1.4 Bonds term;
 - 1.5 Coupon rate;
 - 1.6 Term and method of principal and interest payment;
 - 1.7 Guarantees;
 - 1.8 Conversion period;
 - 1.9 Determination and adjustment of the Conversion Price;
 - 1.10 Terms of downward adjustment to the Conversion Price;
 - 1.11 Method for determining the number of A Shares for conversion and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share;

NOTICE OF THE 2024 SECOND H SHAREHOLDERS' CLASS MEETING

- 1.12 Terms of redemption;
 - 1.13 Terms of sale back;
 - 1.14 Entitlement to dividend in the year of conversion;
 - 1.15 Method of the Issuance and target subscribers;
 - 1.16 Subscription arrangement for the existing A Shareholders;
 - 1.17 Matters relating to the meetings of Bondholders;
 - 1.18 Use of proceeds;
 - 1.19 Management and deposit for proceeds raised;
 - 1.20 Rating; and
 - 1.21 Validity period of the Issuance plan
- 2. To consider and approve the resolution on the plan for the Issuance of A Share Convertible Corporate Bonds to non-specific investors
 - 3. To consider and approve the resolution on authorization to the Board or its authorized persons granted by the general meeting of Shareholders to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors at its sole discretion

By Order of the Board
CGN Power Co., Ltd.*
Yin Engang
*Chief Financial Officer, Joint
Company Secretary and Board
Secretary*

The PRC, July 5, 2024

As at the date of this notice, the Board of the Company comprises Mr. Gao Ligang as an executive Director; Mr. Yang Changli, Ms. Li Li, Mr. Pang Songtao, Mr. Feng Jian and Mr. Liu Huanbing as non-executive Directors; Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua as independent non-executive Directors.

* *For identification purpose only*

NOTICE OF THE 2024 SECOND H SHAREHOLDERS' CLASS MEETING

Notes:

- a) All resolutions put to the vote at the H Shareholders' Class Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (the "Hong Kong Listing Rules"), and the results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.
- b) Closure of the register of members and the eligibility for attending and voting at the H Shareholders' Class Meeting

In order to determine the list of Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting, the Company's register of members will be closed from Tuesday, July 9, 2024 to Thursday, August 8, 2024, both days inclusive, during which period no transfer of H Shares of the Company will be effected. The Shareholders whose names appear on the Company's register of shareholders on Tuesday, July 9, 2024 shall be entitled to attend and vote at the H Shareholders' Class Meeting. In order to be eligible for attending and voting at the H Shareholders' Class Meeting, all transfer documents of H Shares together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar of the Company, namely, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, July 8, 2024.

- c) Reply slip

The Shareholders who intend to attend and vote at the H Shareholders' Class Meeting (in person or by a proxy) shall complete the reply slip enclosed in the circular, and return it for registration by hand, by mail or by fax on or before Thursday, July 18, 2024 to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of H Shareholders). Completion and return of the reply slip will not preclude you from attending or voting at the H Shareholders' Class Meeting.

- d) Proxy

Any Shareholder entitled to attend and vote at the H Shareholders' Class Meeting is entitled to appoint one or more persons (if the Shareholder holds two or more issued shares of the Company with a nominal value of RMB1.00 each), whether such person is a shareholder of the Company or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the H Shareholders' Class Meeting.

The proxy concerned must be appointed with a form of proxy. The form of proxy concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the form of proxy shall be affixed with the seal of the legal person or signed by its director or a representative duly authorized in writing. If the form of proxy of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized, and served at the same time as the form of proxy. The form of proxy of the Shareholders' proxy shall be served to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of H Shareholders) at least 24 hours before the scheduled time for holding of the H Shareholders' Class Meeting or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy, you can attend and vote in person at the H Shareholders' Class Meeting or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares in person or by a proxy at the H Shareholders' Class Meeting as the only holder entitled to vote. If more than one registered joint holders attend the H Shareholders' Class Meeting in person or by a proxy, only the vote of the person whose name appears first in the register of members relating to the joint holders (in person or by a proxy) will be accepted as the only vote of the joint holders.

NOTICE OF THE 2024 SECOND H SHAREHOLDERS' CLASS MEETING

e) Miscellaneous

- (i) The Company's Shareholders or their proxies shall present their identity documents when attending the H Shareholders' Class Meeting (or any adjournment thereof). If the legal representative of corporate Shareholders or any other persons officially authorized by the corporate Shareholders are present at the H Shareholders' Class Meeting (or any adjournment thereof), such legal representative or other persons shall present their identity documents and the certifying documents for appointment as a legal representative or valid authorization documents (as the case may be).
- (ii) The H Shareholders' Class Meeting is expected to last for no more than half of a working day. Shareholders and representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.
- (iii) Address of Computershare Hong Kong Investor Services Limited:

17M Floor,
Hopewell Centre, No. 183 Queen's Road East,
Wan Chai,
Hong Kong
Tel: (852) 2862 8628
Fax: (852) 2865 0990

Address of the Company's headquarters in the PRC:

18/F, South Tower, CGN Building,
No. 2002 Shennan Road, Shenzhen, Guangdong Province, PRC
Tel: (86) 755 84430888
Fax: (86) 755 83699089