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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in 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)**

- (1) Report of the Board of Directors for the year 2024**
- (2) Report of the Supervisory Committee for the year 2024**
- (3) Annual Report for the year 2024**
- (4) Audited Financial Report for the year 2024**
- (5) Profit Distribution Plan for the year 2024**
- (6) Investment Plan and Capital Expenditure Budget for the year 2025**
- (7) Re-appointment of Financial Report Auditor for the year 2025**
- (8) Re-appointment of Internal Control Auditor for the year 2025**
- (9) Performance Evaluation Results of Independent Non-executive Directors for the year 2024**
- (10) Continuing Connected Transactions – 2026-2028 Engineering Services Framework Agreement**
- (11) Registration and Issuance of Multi-type Interbank Debt Financing Instruments**
- (12) General Mandate to Issue Shares**
- (13) General Mandate to Repurchase Shares**
- (14) Extension of the Validity Period of the Resolution of the General Meeting of Shareholders on the Issuance of A Share Convertible Corporate Bonds to Non-specific Investors**
- (15) Extension of the Validity Period of the 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; and**
- (16) Notices of 2024 Annual General Meeting and the 2025 First H Shareholders' Class Meeting**

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



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A letter from the Board is set out on pages 7 to 34 of this circular.

The Company is scheduled to convene the AGM at 2:30 p.m. on Wednesday, May 21, 2025 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 AGM (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 AGM and the H Shareholders' Class Meeting are set out on pages AGM-1 to HCM-3 of this circular.

Whether or not you are able to attend and vote at the AGM 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 Wednesday, April 30, 2025 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 AGM 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 AGM and/or the H Shareholders' Class Meeting or any adjournment should you so wish.

\* For identification purpose only

April 11, 2025

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## DEFINITIONS

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

“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders’ Class Meeting”	the 2025 first A Shareholders’ class meeting of the Company to be held on Wednesday, May 21, 2025
“A Shares”	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”	the convertible corporate bonds with a total 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
“AGM” or “2024 AGM”	the 2024 annual general meeting of the Company to be held at 2:30 p.m. on Wednesday, May 21, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Audit and Risk Management Committee”	the audit and risk management committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited

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## DEFINITIONS

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“CGN”	China General Nuclear Power Corporation* (中國廣核集團有限公司), a state-owned enterprise established in the PRC on September 29, 1994 and 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
“CGN Engineering”	China Nuclear Power Engineering Co., Ltd.* (中廣核工程有限公司), a limited liability company established in the PRC on November 11, 1997, and a wholly-owned subsidiary of the Company
“CGN Group”	collectively, CGN and its subsidiaries (unless specified otherwise, excludes our Group)
“Chairman”	the chairman of the Board
“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)
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Continuing Connected Transaction(s)”	individually or collectively, the partially exempt continuing connected transactions and the non-exempt continuing connected transactions
“Controlling Shareholder”	has the meaning ascribed to thereto under the Hong Kong Listing Rules, as at the Latest Practicable Date, it refers to CGN
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“Group”, “our Group”, “we” or “us”	our 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 2025 first H Shareholders’ class meeting of the Company to be held on Wednesday, May 21, 2025
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended and supplemented from time to time
“Hong Kong Stock Connect”	investors entrusting mainland securities companies to report to the Hong Kong Stock Exchange through a securities trading service company established by the Shenzhen Stock Exchange and the Shanghai Stock Exchange in Hong Kong to buy and sell stocks listed on the Hong Kong Stock Exchange within the scope of Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee constituted by Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua, for the purpose of providing advice to the Independent Shareholders in respect of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)

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## DEFINITIONS

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“Independent Financial Adviser”	First Shanghai Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser responsible for providing advice to the Independent Board Committee and the Independent Shareholders in respect of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
“Independent Shareholders”	Shareholders other than CGN Group and its associates
“Independent Third Party(ies)”	person(s) which is/are not connected with any Directors, Supervisors, chief executive or substantial shareholders of our Company or any of its subsidiaries and their respective associates
“Issue Mandate”	Shareholders are advised to grant a general mandate to the Board at the AGM to issue shares at any time within the period specified by the relevant special resolution contained in the notice of AGM no more than 20% of the issued shares of the Company on the date on which the relevant special resolution of the Company was passed
“Issuance of A Share Convertible Corporate Bonds” or “Issuance”	the proposal for the 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
“KPMG”	KPMG Huazhen LLP
“Latest Practicable Date”	April 7, 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region

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## DEFINITIONS

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“Relevant Authorizations”	the authorization to the Board or its authorized persons to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds to non-specific investors at its sole discretion considered and approved at the 2024 first extraordinary general meeting, the 2024 second H Shareholders’ class meeting and the 2024 second A Shareholders’ class meeting convened by the Company on August 8, 2024
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	subject to the proposed AGM, A Shareholders’ Class Meeting and H Shareholders’ Class Meeting to approve the repurchase mandate by way of proposed special resolutions, respectively, the general mandate to authorize the Board to exercise the power to repurchase H Shares and/or A Shares of the Company not exceeding 10% of the total issued share capital of H Shares and/or A Shares of the Company on the date on which the above special resolutions of the Company were passed
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time
“Shanghai-Hong Kong Stock Connect”	an abbreviation for the Shanghai-Hong Kong Stock Market Trading Interconnection Mechanism
“Share(s)”	A Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen-Hong Kong Stock Connect”	an abbreviation for the Shenzhen-Hong Kong Stock Market Trading Interconnection Mechanism

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## DEFINITIONS

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“Shenzhen Stock Connect”	investors entrusting Hong Kong brokers to report to the Shenzhen Stock Exchange through a securities trading service company established by the Hong Kong Stock Exchange in Shenzhen to buy and sell stocks listed on the Shenzhen Stock Exchange within the scope of Shenzhen-Hong Kong Stock Connect
“subsidiary(ies)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Supervisor(s)”	supervisors of the Company
“Supervisory Committee”	the supervisory committee of the Company
“2026-2028 Engineering Services Framework Agreement” or “Renewed Agreement”	the 2026-2028 engineering services framework agreement entered into between the Company and CGN on March 26, 2025
“2023-2025 Engineering Services Framework Agreement” or “Agreement Currently in Force”	the 2023-2025 engineering services framework agreement entered into between the Company and CGN on March 17, 2022
“%”	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 the appendices in this circular, the Chinese version shall prevail.

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## LETTER FROM THE BOARD

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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)**

**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,

- (1) Report of the Board of Directors for the year 2024
- (2) Report of the Supervisory Committee for the year 2024
- (3) Annual Report for the year 2024
- (4) Audited Financial Report for the year 2024
- (5) Profit Distribution Plan for the year 2024
- (6) Investment Plan and Capital Expenditure Budget for the year 2025
- (7) Re-appointment of Financial Report Auditor for the year 2025
- (8) Re-appointment of Internal Control Auditor for the year 2025
- (9) Performance Evaluation Results of Independent Non-executive Directors for the year 2024
- (10) Continuing Connected Transactions – 2026-2028 Engineering Services Framework Agreement
- (11) Registration and Issuance of Multi-type Interbank Debt Financing Instruments
- (12) General Mandate to Issue Shares
- (13) General Mandate to Repurchase Shares
- (14) Extension of the Validity Period of the Resolution of the General Meeting of Shareholders on the Issuance of A Share Convertible Corporate Bonds to Non-specific Investors
- (15) Extension of the Validity Period of the 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; and
- (16) Notices of 2024 Annual General Meeting and the 2025 First H Shareholders' Class Meeting

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The Company intends to hold the AGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting at 2:30 p.m. on Wednesday, May 21, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC. The notices to convene the AGM and the H Shareholders' Class Meeting are set out on pages AGM-1 to HCM-3 of this circular, respectively.

The purpose of this circular is to provide you with details of the AGM and the 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 AGM and the 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 sections III to IV of this letter from the Board.

### II. MATTERS TO BE RESOLVED AT THE AGM

#### Ordinary Resolutions

##### Part I

1. To consider and approve the report of the Board of Directors for the year 2024
2. To consider and approve the report of the Supervisory Committee for the year 2024
3. To consider and approve the annual report for the year 2024
4. To consider and approve the audited financial report for the year 2024
5. To consider and approve the profit distribution plan for the year 2024
6. To consider and approve the investment plan and capital expenditure budget for the year 2025
7. To consider and approve the re-appointment of financial report auditor for the year 2025
8. To consider and approve the re-appointment of internal control auditor for the year 2025
9. To consider and approve the performance evaluation results of independent non-executive Directors for the year 2024

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## LETTER FROM THE BOARD

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### Part II

10. To consider and approve the continuing connected transactions – 2026-2028 Engineering Services Framework Agreement and the proposed annual caps thereunder

### Special Resolutions

11. To consider and approve the registration and issuance of multi-type interbank debt financing instruments
12. To consider and approve the grant of the general mandate to issue Shares
13. To consider and approve the grant of the general mandate to repurchase Shares
14. To consider and approve the extension of the validity period of the resolution of the general meeting of shareholders on the Issuance of A Share Convertible Corporate Bonds to non-specific investors
15. To consider and approve the extension of the validity period of the 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

### III. ORDINARY RESOLUTIONS

#### Part I

#### 1. To consider and approve the report of the Board of Directors for the year 2024

According to the Articles of Association, the Board of Directors has prepared the report of the Board of Directors for the year 2024, and its main contents include business performance, asset conditions, corporate governance, financial assistance and guarantee, share capital and interest of the Company.

The report was considered and approved by the Board of Directors at the twelfth meeting of the fourth session of the Board of the Directors. The full text of the report is included in the annual report for the year 2024 published on the Company's website and the HKEXnews website of the Hong Kong Stock Exchange by the Company on April 11, 2025.

According to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve the report of the Board of Directors for the year 2024.

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## LETTER FROM THE BOARD

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### **2. To consider and approve the report of the Supervisory Committee for the year 2024**

According to the Articles of Association, the Supervisory Committee has prepared the report of the Supervisory Committee for the year 2024, and its main contents include the summary of work of the Supervisory Committee for the year.

The report was considered and approved by the Supervisory Committee at the ninth meeting of the fourth session of the Supervisory Committee. The full text of the report is included in the annual report for the year 2024 published on the Company's website and the HKEXnews website of the Hong Kong Stock Exchange by the Company on April 11, 2025.

According to the Articles of Association, an ordinary resolution will be proposed by the Supervisory Committee at the AGM to approve the report of the Supervisory Committee for the year 2024.

### **3. To consider and approve the annual report for the year 2024**

According to the Articles of Association, the Company has prepared the annual report for the year 2024.

The report was considered and approved by the Board of Directors at the twelfth meeting of the fourth session of the Board of Directors, and published on the Company's website and the HKEXnews website of the Hong Kong Stock Exchange on April 11, 2025.

According to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve the annual report for the year 2024.

### **4. To consider and approve the audited financial report for the year 2024**

The financial statements of the Company for the year ended December 31, 2024 prepared in accordance with the China Accounting Standards for Business Enterprises have been audited by KPMG and considered and approved by the Board of Directors at the twelfth meeting of the fourth session of the Board of Directors. The full text of the report is included in the annual report for the year 2024 published on the Company's website and the HKEXnews website of the Hong Kong Stock Exchange by the Company on April 11, 2025.

According to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve such audited financial statements for the year ended December 31, 2024 prepared in accordance with the China Accounting Standards for Business Enterprises.

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## LETTER FROM THE BOARD

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### **5. To consider and approve the profit distribution plan for the year 2024**

The Board recommends the payment of a final dividend of RMB0.095 (tax inclusive) per Share for the year 2024 to the Shareholders as of the record date for dividend distribution (the record date). The ratio of final dividend distribution for the year is based on the consideration of various factors including the business performance of the Company for the year 2024.

The profit distribution plan has been considered and approved at the twelfth meeting of the fourth session of the Board of Directors.

If the proposed profit distribution plan is approved by the Shareholders at the AGM, the distributable dividend will be distributed in cash on or around July 3, 2025 to the Shareholders whose names appear on the register of members of the Company on June 2, 2025 (the record date). The cash dividend for 2024 is denominated and declared in RMB, with a dividend per Share of RMB0.095 (tax inclusive).

The dividends shall be paid by the Company to the holders of A Shares in RMB and the holders of H Shares in Hong Kong dollars but denominated in RMB. The exchange rate of RMB into Hong Kong dollar shall be calculated based on the arithmetic mean of the medians of the exchange rates of Hong Kong dollar into RMB published by PBOC five working days from and inclusive of the date on which the AGM is convened.

#### ***Closure of Register of Members for H Shareholders to receive the dividend:***

The register of members of the Company in respect of the H Shares will be closed from May 27, 2025 to June 2, 2025 (both days inclusive). In order to qualify for the dividend, H Shareholders shall lodge the transfer documents accompanied by the relevant share certificates with the H Share Registrar at Shops 1712-1716, Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on May 26, 2025.

The Company will determine the country of domicile of the individual H Shareholders based on the registered address of the individual H Shareholders as recorded in the H share register of members of the Company on June 2, 2025. Where the residency of any individual H Shareholders is inconsistent with the registered address, they shall notify, and submit the relevant proof to, the H Share Registrar at 17M Floor, Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong, before 4:30 p.m. on May 26, 2025. The Company disclaims any responsibility arising from any claims due to H Shareholders whose residency are not confirmed timely or accurately or any disputes with regard to the tax withholding systems.

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## LETTER FROM THE BOARD

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### *Arrangement on withholding tax:*

#### *(1) Withholding and Payment of Corporate Income Tax for Overseas Non-resident Enterprise Shareholders*

According to the Corporate Income Tax Law of the People's Republic of China and the relevant implementation rules which came into effect on January 1, 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing dividends to non-resident enterprise shareholders whose names appear on the register of members of the H shares of the Company. Any H Shares registered in the name of non-individual H Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore the dividends will be subject to the withholding and payment of the corporate income tax. Should any H Shareholder wish to change its shareholder status, please consult your agent or trust institution over the relevant procedures. The Company will withhold payment of the corporate income tax strictly in accordance with the relevant laws or requirements of the relevant government authorities and strictly based on what has been registered on the Company's register of H Shareholders on the record date.

#### *(2) Withholding and Payment of Individual Income Tax for Overseas Individual Shareholders*

According to Guo Shui Han [2011] No. 348 (國稅函[2011]348號) issued by the State Administration of Taxation of the People's Republic of China, for individual H Shareholders, the Company shall withhold and pay individual income tax for the dividend.

Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries in which they are domiciled and the tax arrangements between mainland China and Hong Kong (Macau).

The Company will determine the country of domicile of the individual H Shareholders based on the registered address of the individual H Shareholders as recorded in the H share register of members of the Company on June 2, 2025.

The Company shall withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders (who are Hong Kong residents, Macau residents or residents of those countries having treaties with the PRC stipulating a tax rate of 10% for individual income tax in respect of dividends). For tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a tax rate of lower than 10% for individual income tax in respect of dividends, the Company would withhold the individual income tax at a tax rate of 10%. Such individuals may apply to the competent tax authorities, and the Company will assist in such application, for the entitlement to the preferential tax rate under the relevant tax treaty, and upon approval by the tax authorities, the difference between the amount of tax paid and the amount of tax payable by such individuals under such tax treaty will be refunded. For tax residents of other countries having tax treaties with the PRC stipulating a tax rate of higher than 10% but lower than 20%

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## LETTER FROM THE BOARD

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for individual income tax in respect of dividends, the Company would withhold the individual income tax at the agreed effective tax rate. For tax residents of other countries without any tax treaty with the PRC or having tax treaties with the PRC stipulating a tax rate of 20% for individual income tax in respect of dividends or in other situations, the Company would withhold the individual income tax at a tax rate of 20%.

Where the tax rate at which the Company withholds and pays individual income tax for individual H Shareholders is higher than the tax rate which such individual H Shareholders are entitled to, such individual H Shareholders may apply to the competent tax authorities for the entitlement to the preferential tax rate under the relevant tax treaty, and upon approval by the tax authorities, the difference between the amount of tax paid and the amount of tax payable by such individuals under such tax treaty will be refunded. The Company will play a facilitating and coordinating role, and where the relevant information is provided by such individual H Shareholders to the Company, the Company will assist such individual H Shareholders in their application to the competent tax authorities.

Where the residency of any individual H Shareholders is inconsistent with the registered address, they shall notify, and submit the relevant proof to, the H Share Registrar at 17M Floor, Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong, before 4:30 p.m. on May 26, 2025. The Company disclaims any responsibility arising from any claims due to H Shareholders whose residency are not confirmed timely or accurately or any disputes with regard to the tax withholding systems.

### *(3) Profit Distribution for Investors of Shenzhen Stock Connect*

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in Shenzhen Stock Connect, their dividends will be distributed in RMB by the Company through China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to competent tax authorities for the withholding.

For investors of Shenzhen Stock Connect who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may apply to the competent tax authorities for the entitlement of the rate under such tax treaty by themselves. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Shenzhen Stock Connect will be the same as those for the A Shareholders.

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## LETTER FROM THE BOARD

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### *(4) Profit Distribution for Investors of Hong Kong Stock Connect*

For investors of the Shanghai Stock Exchange or the Shenzhen Stock Exchange (including enterprises and individuals) investing in Hong Kong Stock Connect, the Company has entered into the Agreement on Distribution of Cash Dividends of H Shares for Hong Kong Stock Connect with China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited, as the nominee of the H Shareholders for Hong Kong Stock Connect, will receive all dividends distributed by the Company and distribute the dividends to the relevant investors of H Shares of Hong Kong Stock Connect through its depository and clearing system. Dividends for the investors of H Shares of Hong Kong Stock Connect will be paid in RMB.

Pursuant to the relevant requirements of the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅)[2016]127號》), for dividends received by Shanghai-Hong Kong Stock Connect investors and Shenzhen-Hong Kong Stock Connect investors from investing in H shares listed on the Hong Kong Stock Exchange, the H-share company shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. For dividends derived by mainland resident enterprises, there will be no withholding tax payable by the H-share company, and these enterprises are liable for tax reporting and payment.

The record date and the date of appropriation of cash dividends and other arrangements for the investors of Hong Kong Stock Connect will be the same as those for the H Shareholders.

According to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve the profit distribution plan of the Company.

### **6. To consider and approve the investment plan and capital expenditure budget for the year 2025**

According to the Articles of Association, the Company has formulated its investment plan and capital expenditure budget for the year 2025.

In accordance with its strategies and needs for business development and in order to ensure the stable operation of nuclear power stations in operation, the project construction of nuclear power generating units under construction, and the preparation before approval of nuclear power projects, the Company plans to invest a total amount of RMB87,080 million in the year 2025. In particular, the investment in fixed assets of RMB61,860 million will be primarily applied to the investment in construction for nuclear power projects under

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## LETTER FROM THE BOARD

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construction and the capital expenditure for the production stage of nuclear power stations in operation, and the equity investment of RMB19,220 million will be applied to the capital investment in projects relating to comprehensive use of nuclear energy, as well as potential or contingent project acquisitions. Moreover, the reserve of RMB6,000 million will be made to respond to the market changes and handle contingencies. For more information relating to nuclear power stations in operation and nuclear power generating units under construction, please refer to the sections headed “Business Performance and Analysis”, “Future Outlook” and “Production Capital” in the annual report for the year 2024 published by the Company on April 11, 2025, and the published electronic document of the annual report is also available on the Company’s website or the HKEXnews website of the Hong Kong Stock Exchange.

This investment plan and capital expenditure budget were considered and approved by the Board of Directors at the eleventh meeting of the fourth session of the Board of Directors. According to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve this investment plan and capital expenditure budget for the year 2025.

### **7. To consider and approve the re-appointment of financial report auditor for the year 2025**

The proposal that KPMG as the financial report auditor of the Company for the year 2024 and would hold office until the conclusion of the 2024 AGM was considered and approved at the fifth meeting of the fourth session of the Board of Directors and approved at the 2023 annual general meeting of the Company.

According to the Articles of Association and the proposal made by the Audit and Risk Management Committee, the Company intends to re-appoint KPMG as its financial report auditor for the year 2025, who will hold office until the conclusion of the 2025 annual general meeting, and authorize the Board to determine its remuneration based on the actual works performed.

The above proposal regarding the re-appointment of financial report auditor for the year 2025 was considered and approved at the twelfth meeting of the fourth session of the Board of Directors.

Pursuant to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve the re-appointment of KPMG as the financial report auditor of the Company for the year 2025.

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## LETTER FROM THE BOARD

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**8. To consider and approve the re-appointment of internal control auditor for the year 2025**

The proposal that Pan-China Certified Public Accountants LLP as the internal control auditor of the Company for the year 2024 and would hold office until the conclusion of the 2024 AGM was considered and approved at the fifth meeting of the fourth session of the Board of Directors and approved at the 2023 annual general meeting of the Company.

According to the Articles of Association and the proposal made by the Audit and Risk Management Committee, the Company intends to re-appoint Pan-China Certified Public Accountants LLP as its internal control auditor for the year 2025, who will hold office until the conclusion of the 2025 annual general meeting, and authorize the Board to determine its remuneration based on the actual works performed.

The above proposal regarding the re-appointment of internal control auditor for the year 2025 was considered and approved at the twelfth meeting of the fourth session of the Board of Directors.

Pursuant to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve the re-appointment of Pan-China Certified Public Accountants LLP as the internal control auditor of the Company for the year 2025.

**9. To consider and approve the performance evaluation results of independent non-executive Directors for the year 2024**

Pursuant to the Measures on Performance Evaluation of Independent Directors (Trial) of CGN Power Co., Ltd.\*, the performance evaluation of the independent Directors is carried out with the procedures and in the order of self-evaluation, mutual evaluation between Directors, weighted evaluation scores and evaluation result generation. The evaluation consists of two aspects, namely conduct of ethics, and performance and contribution. The performance evaluation results of independent non-executive Directors for the year 2024 are as follows:

<b>Name</b>	<b>Suggested performance evaluation results</b>
Wong Ming Fung	Excellent
Li Fuyou	Excellent
Xu Hua	Excellent

The above evaluation results were considered and approved by the Remuneration Committee and passed at the twelfth meeting of the fourth session of the Board of Directors. When the Remuneration Committee and the Board took a vote on the above evaluation results, the independent non-executive Directors abstained from voting.

Pursuant to the Articles of Association, an ordinary resolution will be proposed by the Board of Directors at the AGM to approve the performance evaluation results of independent non-executive Directors for the year 2024.

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## LETTER FROM THE BOARD

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### Part II

#### **10. To consider and approve the continuing connected transactions – 2026-2028 Engineering Services Framework Agreement and the proposed annual caps thereunder**

##### *Background*

The Company entered into the 2014 Engineering Services Framework Agreement with CGN on November 21, 2014, completed amendments to the above agreement on September 25, 2016 and completed renewals on March 12, 2019 and March 17, 2022. As a continuation of the Agreement Currently in Force, the Company entered into the 2026-2028 Engineering Services Framework Agreement with CGN on March 26, 2025, pursuant to which the Group shall provide services to CGN Group, primarily including pre-construction engineering services, survey, design and technical services, engineering project management services, general engineering, procurement and construction services, bidding agency services, sales of used and/or superfluous materials and other engineering services. Compared to the Agreement Currently in Force, the amendments in the Renewed Agreement are primarily to renew the validity period of the agreement and apply for a renewal of the transaction caps for the relevant years under the Renewed Agreement.

The Renewed Agreement shall be valid and effective from January 1, 2026 to December 31, 2028. Separate contracts will be entered into between relevant entities of both parties, which will set out the specific terms and conditions pursuant to the principles provided in the above agreement.

Reference is made to the announcement dated March 26, 2025 in relation to the continuing connected transactions of the Company, which announced that the Board considered and approved the resolution on the entering into of the 2026-2028 Engineering Services Framework Agreement with CGN on March 26, 2025. The resolution will be submitted to the 2024 AGM for consideration and approval by the Independent Shareholders. Details of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are set out in this circular as follows.

CGN will abstain from voting in respect of the ordinary resolution on the matters relating to the 2026-2028 Engineering Services Framework Agreement at the 2024 AGM.

##### *Date and term of the Renewed Agreement*

The Company entered into the 2026-2028 Engineering Services Framework Agreement with CGN on March 26, 2025. Subject to the 2026-2028 Engineering Services Framework Agreement being signed and sealed by the legal representatives or authorized representatives of both parties and its approval at the AGM, the 2026-2028 Engineering Services Framework Agreement shall be valid and effective for a term of three years from January 1, 2026 to December 31, 2028. Separate contracts will be entered into between relevant entities of both parties, which will set out the specific terms and conditions pursuant to the principles provided in the above agreement.

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## LETTER FROM THE BOARD

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### *Scope of services*

The Group shall provide services to CGN Group, primarily including pre-construction engineering services, survey, design and technical services, engineering project management services, general engineering, procurement and construction services, bidding agency services, sales of used and/or superfluous materials and other engineering services.

### *Pricing policies and its application*

The following pricing principles shall apply to the pricing of services contemplated under the Renewed Agreement in the following order:

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

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

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## LETTER FROM THE BOARD

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

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

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

This pricing principle is applied less frequently. It is applied occasionally to survey, design and technical services and engineering project management services. The costs of such services primarily include (i) the cost of services procured in the market or the cost of service stipulated by the internal pricing standard applicable to all members of CGN Group and the Group; and (ii) labor cost and travel expenses incurred by the Group's management of relevant services, which are determined by the Group's labor cost and travel policies. The profit of these services is mainly derived from the management fees on the basis of the costs above. The rate of management fee is determined based on the historical costs and benefits of CGN Group and the subsidiaries of the Group in the respective service projects. The rate of management fee is mainly affected by (i) the market share of similar services; and (ii) inflation and changes in costs, and is ultimately determined based on the negotiation between the parties to the transactions in accordance with normal commercial terms. Based on the historical transactions, the rate of management fee of these services was generally not lower than 10%.

**Termination:** Before the termination of the 2026-2028 Engineering Services Framework Agreement, both parties may jointly negotiate for the signing of a new framework agreement to ensure the normal production and operation of both parties.

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## LETTER FROM THE BOARD

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**Historical amounts:** The amounts of the engineering service fees received and receivable from CGN Group for the three years ended December 31, 2022, 2023 and 2024 are set out below:

	<b>Year ended December 31,</b>		
	<b>(RMB million)</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
Approximate total fees received and receivable from CGN Group by our Group on an actual basis	21,857.19	16,740.15	17,188.17
Historical approved approximate total fees to be received/receivable from CGN Group by our Group	30,793.00	35,168.00	41,154.00

**Proposed annual caps under the Renewed Agreement:** The maximum aggregate annual amount of fees for the three years ending December 31, 2026, 2027 and 2028 shall not exceed the caps as set out below:

	<b>Current approved annual cap 2025</b>	<b>Year ending December 31,</b>		
		<b>(RMB million)</b>		
		<b>2026</b>	<b>2027</b>	<b>2028</b>
Approximate total fees to be received/receivable from CGN Group by our Group	43,111.00	33,600.00	31,400.00	32,000.00

From January 1, 2025 to March 31, 2025, the amount received and receivable from CGN Group by our Group amounted to approximately RMB3,484.21 million, accounting for 8.1% of the approved annual cap for the year ending December 31, 2025. As ongoing engineering projects progress and related settlement procedures are finalized, the actual total fees to be received/receivable from CGN Group by our Group are expected to gradually increase in 2025. The Group's proposed annual caps for the engineering services for the three years 2026, 2027 and 2028 have been reduced, mainly due to the decreased transaction amounts based on the construction progress of CGN's new energy projects and the adjustment to the contract model.

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

- (i) the historical transaction amounts received for the provision of the engineering services to CGN Group;
- (ii) the expected demand for engineering services in the upcoming years in view of the business development of CGN Group;

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## LETTER FROM THE BOARD

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- (iii) the estimated contract value and payment arrangement of projected new engineering services contracts to be entered into between our Group and CGN Group; and
- (iv) the estimated increase in the average market rates charged for similar services due to inflation and anticipated increase in cost.

In estimating the engineering services to be provided to CGN Group by our Group for the three years ending December 31, 2026, 2027 and 2028, we have considered, among other factors:

- (a) the decrease in the proposed annual cap from RMB43,111 million for the year ending December 31, 2025 to RMB33,600 million for the year ending December 31, 2026, representing a difference of approximately RMB9,511 million, is primarily attributable to, among other things: (i) an increase of approximately RMB5,470 million as a result of an increased demand for engineering services as required by CGN for its nuclear power projects under construction; (ii) an increase of approximately RMB4,100 million as a result of an increased demand for engineering services as required by CGN for its photovoltaic projects; and (iii) a decrease of approximately RMB19,150 million due to decreased engineering services provided by the Group as a result of the adjustment in the cooperation model for the construction of some of the offshore wind power projects of CGN Group from engineering-procurement-construction model to project management model;
- (b) the decrease in the proposed annual cap from RMB33,600 million for the year ending December 31, 2026 to RMB31,400 million for the year ending December 31, 2027, representing a difference of RMB2,200 million, is primarily attributable to, among other things, a decrease of approximately RMB2,400 million due to a decreased demand for engineering services based on the construction progress of CGN's photovoltaic projects;
- (c) the increase in the proposed annual cap from RMB31,400 million for the year ending December 31, 2027 to RMB32,000 million for the year ending December 31, 2028, representing a difference of RMB600 million, is primarily attributable to, among other things: (i) an increase of approximately RMB2,100 million based on the construction progress of CGN's nuclear power projects under construction and contractual payment arrangements; and (ii) a decrease of approximately RMB1,460 million due to a decreased demand for engineering services based on the construction progress of CGN's new energy projects;
- (d) the seven projects with the largest estimated transaction amounts (the "**Large Projects**") with an aggregate estimated transaction amount of approximately RMB28,780 million, RMB29,128 million and RMB31,310 million, representing approximately 86%, 93% and 98% of the proposed annual caps, for each of the years ending 31 December 2026, 2027 and 2028, respectively; and

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## LETTER FROM THE BOARD

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- (e) the service agreements have already been entered into for four of the Large Projects, where they aggregately account for approximately RMB14,830 million, RMB12,303 million and RMB6,960 million, representing approximately 44%, 39% and 22% of the proposed annual caps, for each of the years ending 31 December 2026, 2027 and 2028, respectively.

### *Reasons for and benefits of the transactions*

The provision of engineering services is one of the principal operations of the Company, and the transactions thereunder are revenue in nature in the ordinary course of business of the Company. Given that:

- (1) arising from the complexity of nuclear power plant construction and the strict requirements for the safety, quality, and past experience, CGN Engineering is currently one of the few nuclear construction companies with management and construction capabilities in the field of nuclear power plant engineering in the PRC, and according to the industry practices in the nuclear power sector, it is common for a nuclear power project company under a group engaged in the construction or operation of nuclear power plants to entrust an engineering construction company within the same group to provide relevant services;
- (2) the Group has extensive experience in the construction and management of nuclear power projects, and through years of cooperation, is capable of providing nuclear power engineering services up to required standards and of required quality to the satisfaction of CGN Group consistently, enabling the Group to monitor the construction of nuclear power projects of CGN on a continuous basis, which allows the Company to better determine the timing of exercising the options for acquisitions to avoid potential competition; and
- (3) our experience in the construction and management of nuclear power projects may also be applied to the engineering construction of wind power, photovoltaic power and other new energy projects. Participating in the engineering construction of new energy projects under CGN Group not only meets the needs of business expansion but also helps to continuously maintain and enhance the core capabilities of the Group in engineering construction management.

We will continue to provide engineering services to CGN Group based on the above reasons and benefits.

**Directors' view:** Taking into account the long established business relationship between our Group and CGN Group, the stable revenue to be generated from the businesses of CGN Group for the benefit of our Group, as well as the rising demand for new transactions, the Directors (including the independent non-executive Directors) are of the view that the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps) are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of our Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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**Hong Kong Listing Rules implications:** As at the Latest Practicable Date, CGN, which holds 58.89% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Under Rule 14A.07 of the Listing Rules, CGN is a connected person of the Company. Therefore, the engineering service transactions contemplated under the Renewed Agreement by the Group and CGN and/or its associates will constitute Continuing Connected Transactions of the Company pursuant to Chapter 14A of the Listing Rules.

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

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

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

- (i) For the purpose of the principles of government price, the relevant business units, the legal department and the finance department of the Company will review the terms of the specific transaction agreement, in particular the reasonableness and fairness of the pricing terms. Each business unit will, when conducting specific business, engage the finance department and relevant departments to review and monitor the prices by participating in the contract review process to ensure that the prices with CGN comply with the relevant government-prescribed prices or government-guided prices;
- (ii) For the purpose of the principles of market price, (a) for the purpose of purchasing the products or services of CGN Group, our Group reviews the terms provided by no less than three Independent Third Parties, and ensures that the principal terms provided by CGN Group are no less favourable to our Group than those provided by the Independent Third Parties; and (b) for the purpose of providing products or services to CGN Group, our Group reviews the terms provided to the Independent Third Parties, and ensures that the principal terms provided to CGN Group are no less favourable to our Group than those provided to such Independent Third Parties;

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## LETTER FROM THE BOARD

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- (iii) For the purpose of the principles of agreed price, if both the principles of the government price and market price are not applicable, the prices with CGN Group will be determined by adding a reasonable profit over a reasonable cost, and the relevant business units, and the finance department of the Company will review the profit margin in terms of the specific transaction agreement. Each business unit will, when conducting specific business, engage the finance department and relevant departments to review and monitor the profit margin proposed for various transactions between the Company and Independent Third Parties and connected parties by participating in the contract review process to ensure the relevant profit margin is no less than that provided to the Independent Third Parties; and
- (iv) In accordance with the Listing Rules, (a) the external auditors of our Group will continue to report annually on the Continuing Connected Transactions to confirm, among other matters, whether the Continuing Connected Transactions were entered into in accordance with their respective framework agreements and, for the transactions involving the provision of goods or services by our Group, to confirm whether anything has come to their attention that causes them to believe the Continuing Connected Transactions are not, in all material respects, in accordance with the pricing policies of our Group; and (b) the independent non-executive Directors will continue to review and report annually on whether the Continuing Connected Transactions are, among other things, entered into in accordance with the respective framework agreements governing them and on terms that are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

In respect of the Renewed Agreement, if the prices of the relevant transactions are to be determined under the principle of agreed price, the Group will monitor the changes in relevant government standards in real time and regularly track the market price levels of the services needed to be procured by the Group, so as to ensure such transactions are conducted on normal commercial terms or more favourable terms. We will also strictly enforce the Group's labor cost and travel policies, and conduct internal audits from time to time to ensure a reasonable profit margin.

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

### ***Information on the Parties***

#### *Our Group*

Our Group is primarily engaged in the construction, operation and management of nuclear power stations, sales of electricity generated by these stations and organizing and developing the design and research & development of nuclear power stations.

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## LETTER FROM THE BOARD

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*CGN*

Established on September 29, 1994, CGN is a large clean energy enterprise under supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CGN Group is principally engaged in the generation and sale of power, and the construction, operation and management of nuclear and non-nuclear clean projects. As at the Latest Practicable Date, CGN held approximately 58.89% of the issued share capital of our Company and is the Controlling Shareholder of our Company.

### ***Board's approval***

Our Company convened a Board meeting on March 26, 2025. The Directors who have a conflict of interests in the abovementioned Continuing Connected Transactions, including Mr. Yang Changli, Mr. Gao Ligang, Ms. Li Li and Mr. Pang Songtao, have abstained from voting on the resolution in connection with the 2026-2028 Engineering Services Framework Agreement. The Board had considered and approved the resolution in relation to the entering into of the 2026-2028 Engineering Services Framework Agreement with CGN.

The Directors are of the view that the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable, on normal commercial terms and in the interests of our Company and the Shareholders as a whole.

### ***Independent Board Committee***

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps) are on normal commercial terms, entered into in the ordinary and usual course of business of the Group and fair and reasonable and in the interests of our Company and the Shareholders as a whole.

A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 35 to 36 of this circular. The letter from the Independent Board Committee to the Independent Shareholders contains its recommendation on the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps). Having considered the pricing policies with respect to the Renewed Agreement, the methods and procedures established by the Group to ensure the strict compliance with the pricing policies and that the transactions are on normal commercial terms and will not prejudicial to the interests of the Company and its minority Shareholders, and the appropriate internal control procedures in place, the independent non-executive Directors are of the view that the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable to the Independent Shareholders and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### *Independent Financial Adviser*

First Shanghai Capital Limited has been appointed by our Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable, on normal commercial terms, entered into in the ordinary and usual course of business of the Group and in the interests of our Company and the Shareholders as a whole.

### *Connected persons who are required to abstain from voting on the resolution*

CGN Group is considered to have material interests in the Renewed Agreement. In accordance with Rule 14A.36 of the Listing Rules, any connected person who has material interests in such connected transactions must abstain from voting on the relevant resolution at the general meeting. As at the Latest Practicable Date, CGN Group holds 29,736,876,375 Shares in our Company, representing approximately 58.89% of the total issued Shares, and therefore it and its associates shall abstain from voting on the Renewed Agreement and the transactions contemplated thereunder (including the proposed annual caps) at the 2024 AGM. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, there is (i) no shareholding trust or other agreement or arrangement or intention entered into by its ultimate beneficial owners and their respective associates which is binding upon them; and (ii) no obligation or entitlement of its ultimate beneficial owners and their respective associates, whereby they have or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis.

As at the Latest Practicable Date, and to the best knowledge, information and belief of the Directors, saved as disclosed in this circular, no Shareholder is required to abstain from voting in respect of other resolutions to be proposed at the 2024 AGM. For details of the shareholding interest owned by CGN in the Company, please refer to section V headed “The AGM and H Shareholders’ Class Meeting” in the letter from the Board and Appendix I to this circular.

## **IV. SPECIAL RESOLUTIONS**

### **11. To consider and approve the registration and issuance of multi-type interbank debt financing instruments**

To increase the flexibility in bond financing, expand the Company’s financial support channel, continuously optimize the debt structure, and effectively control the financing cost, the Company will register and issue multi-type debt financing instruments (TDFI) of bonds with the National Association of Financial Market Institutional Investors. The principal terms are as follows:

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## LETTER FROM THE BOARD

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- (1) Registration and issuance type: The registration type is multi-type debt financing instruments (TDFI), including super short-term financing bills, short-term financing bills, medium-term notes, asset-backed notes, green debt financing instruments and private placement notes, etc. The Company will issue the financing instruments during the validity period of registration and the final proposal is subject to the registration notice of the National Association of Financial Market Institutional Investors;
- (2) Way of issuance: Public issuance;
- (3) Interest rate of issuance: Determined with reference to the specific term of issuance and market conditions;
- (4) Term of issuance: Determined according to the capital requirements and market conditions;
- (5) Use of proceeds from issuance of debts: To repay debts for the Company and its subsidiaries, replenish working capital or for project investment and construction, etc;
- (6) Way of guarantee: No guarantee; and
- (7) Balance control: The balance of issued and unmatured bonds shall not exceed RMB30,000 million.

The resolution of application for registration and issuance of multi-type interbank debt financing instruments was considered and approved at the twelfth meeting of the fourth session of the Board of Directors. According to the Articles of Association, a special resolution will be proposed by the Board of Directors at the AGM to approve the application made by the Company to the National Association of Financial Market Institutional Investors for registration of multi-type debt financing instruments, with the balance of issued and unmatured bonds not exceeding RMB30,000 million. Also, the Company will propose to approve the authorization to its chief financial officer for leading the implementation of the specific registration and issuance arrangements for the abovementioned bonds in strict compliance with the internal procedures of the Company in accordance with the abovementioned terms at the AGM. The validity period for the abovementioned authorization shall commence upon the approval at the AGM and shall expire on December 31, 2027.

### **12. To consider and approve the grant of the general mandate to issue Shares**

At the AGM, a special resolution will be proposed that the Board be granted the Issue Mandate to exercise the power of the Company to allot, issue or otherwise deal with new Shares (otherwise than pursuant to the issue of shares by conversion of the surplus reserve into the share capital in accordance with the PRC Company Law and the Articles of Association) not more than 20% of the number of A Shares and/or H Shares in issue as of the date of passing

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## LETTER FROM THE BOARD

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this special resolution separately or concurrently during the “relevant period”, to decide on the terms and conditions for allotting, issuing and dealing with new Shares, including but not limited to the followings: (i) class and number of new Shares to be issued; (ii) pricing determination method and/or issue price of new Shares (including the price range); (iii) the target subscribers of the new Shares to be issued; (iv) the use of proceeds; (v) the starting and closing dates for the issue; (vi) class and number of the new shares to be issued to existing Shareholders; and (vii) the making or granting of offers, agreements and options which might require the exercise of such powers.

When exercising the rights under the general mandate to issue Shares, the Company intends to obtain the following authorizations from Shareholders: (i) to make corresponding capital increase in the registered capital of the Company in accordance to relevant laws and regulations, the Articles of Association and other regulations, and make appropriate and necessary amendments to the relevant articles under the Articles of Association; and (ii) to sign necessary documents, complete necessary procedures, and take other necessary actions to complete the allotment, issuance and listing of the new Shares.

The number of H Shares and A Shares of the Company in issue as at the Latest Practicable Date were 11,163,625,000 H Shares and 39,334,986,100 A Shares. Assuming that the number of Shares remains unchanged as at the date of passing this special resolution, the Board will be allowed under the Issue Mandate to issue a maximum of 2,232,725,000 H Shares and 7,866,997,220 A Shares, respectively, subject to the passing of the special resolution approving the grant of the Issue Mandate to the Board. Meanwhile, the Board is authorized to make necessary amendments to the Articles of Association so as to reflect the new share capital structure upon the allotment or issue of additional Shares pursuant to such mandate.

In exercising the general mandate to issue Shares, the Board shall (i) comply with the relevant requirements of the Company Law of the PRC, the relevant requirements of the CSRC and the Hong Kong Stock Exchange (as amended from time to time), and (ii) obtain the approval from the CSRC and other relevant PRC government authorities (if any).

This mandate remains valid during the relevant period. The “relevant period” mentioned above refers to period from the passing of the general mandate to issue Shares after approval by the AGM until the expiry of the earlier of: (i) the conclusion of the next annual general meeting following the passing of this special resolution; (ii) the expiration of 12 months after the passing of this special resolution; or (iii) the date on which the authorization set out in this special resolution is revoked or amended by a special resolution in the general meeting of the Company.

The Directors believe that it is in the best interests of the Company and the Shareholders to grant the Issue Mandate to the Board to issue new Shares. Whilst it is not possible to anticipate in advance any specific circumstances in which the Board might consider appropriate to issue Shares, the ability to do so would give the Directors the flexibility to capture the opportunity if it so arises.

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## LETTER FROM THE BOARD

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### 13. To consider and approve the grant of the general mandate to repurchase Shares

A special resolution will be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to grant to the Board the mandate to repurchase Shares (including domestic A Shares and/or overseas H Shares) during the "relevant period", to repurchase 10% of the domestic A Shares and/or overseas listed H Shares as at the date of passing this resolution at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and to determine the terms and conditions for the repurchase of Shares, and to authorize the Board to make appropriate and necessary amendments to the relevant content the Articles of Association, execute relevant documents and make other essential or necessary arrangements to reflect the actual situation of the capital structure after taking actions pursuant to this mandate and in compliance with the requirements of the relevant regulatory authorities or competent authorities.

As at the Latest Practicable Date, the Company had 11,163,625,000 H Shares in issue and 39,334,986,100 A Shares in issue. Assuming that such number of Shares remains the same as at the date of passing this special resolution, pursuant to the Repurchase Mandate, the Board would be allowed to repurchase a maximum of 1,116,362,500 H Shares and 3,933,498,610 A Shares respectively ("**Repurchasing A Shares and/or H Shares**"), subject to the passing of the special resolution approving the grant of the Repurchase Mandate to the Board.

After the general mandate is approved at the AGM and/or class meetings, the Board may determine the terms and conditions for the repurchase of Shares, including but not limited to the following: (i) purpose of the proposed repurchase of Shares; (ii) the class and number of Shares to be repurchased; (iii) time, price and duration of repurchase of Shares; and (iv) to perform the approval, filing and information disclosure (if any) in relation to the repurchase of Shares.

In exercising the general mandate to repurchase Shares, the Board shall (i) comply with the relevant requirements of the Company Law of the PRC, the relevant requirements of the CSRC and the Hong Kong Stock Exchange (as amended from time to time), and (ii) obtain the approval from the CSRC and other relevant PRC government authorities (if any).

This mandate remains valid during the relevant period. The "relevant period" mentioned above refers to period from the passing of the general mandate to repurchase Shares after approval by the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting until the expiry of the earlier of: (i) the conclusion of the next annual general meeting; (ii) the expiration of 12 months after the passing of this special resolution at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting; or (iii) the date on which the general mandate set out in this special resolution is revoked or amended by a special resolution in the Shareholders' general meeting, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting (the "**Relevant Period**").

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## LETTER FROM THE BOARD

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The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to grant a general mandate to the Board to repurchase Shares. The Board will act prudently and flexibly in accordance with relevant laws, regulations and regulatory rules and in the best interests of the Company and the Shareholders as a whole.

A special resolution will be proposed by the Board at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to grant to the Directors the A Share or H Share Repurchase Mandate, details of which will be set out in the notice of the AGM and the notice of the H Shareholders' Class Meeting.

The Appendix II to this circular is an explanatory statement which contains details pursuant to Rule 10.06(1)(b) of the Hong Kong Listing Rules for the purpose of enabling Shareholders to make an informed decision on whether to vote for or against the proposed resolution of the grant of the general mandate to repurchase Shares.

#### **14. To consider and approve the extension of the validity period of the resolution of the general meeting of shareholders on the Issuance of A Share Convertible Corporate Bonds to non-specific investors**

The resolution on the proposal on the Issuance of A Share Convertible Corporate Bonds to non-specific investors was considered and approved at the 2024 first extraordinary general meeting, the 2024 second H Shareholders' class meeting and the 2024 second A Shareholders' class meeting convened by the Company on August 8, 2024.

According to the aforesaid meeting resolution, the validity period of the resolution regarding the Issuance shall be 12 months from the date on which the resolution was considered and approved at the 2024 first extraordinary general meeting, the 2024 second H Shareholders' class meeting and the 2024 second A Shareholders' class meeting.

As disclosed in the announcement of the Company dated March 19, 2025, the Issuance has been approved by the CSRC for registration. As the relevant work on the Issuance is still under progress and the validity period of the resolution on the Issuance will soon expire, in order to ensure the smooth implementation of the relevant work by the Company related to the Issuance, it is proposed to extend the validity period of the resolution of the general meeting of shareholders on the Issuance for twelve months from the date of the expiry of the original term. Save for the extension of the validity period of the resolution of the general meeting of shareholders on the Issuance mentioned above and the extension of the validity period of the Relevant Authorizations mentioned below, the other matters and details of the Issuance remain unchanged.

Article 33 of the Measures for the Administration of Securities Issuance and Underwriting issued by the CSRC, when a listed company issues securities, if there are profit distribution plans or plans for capital reserve conversion into share capital that have not been submitted to the shareholders' meeting for voting, or have been passed by the shareholders' meeting but not yet implemented, the securities shall be issued after the implementation of such plans.

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## LETTER FROM THE BOARD

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Accordingly, the Company expects to conduct the Issuance after the payment of final dividend for the year ended December 31 2024 in July 2025. As the process of the Issuance also requires in-depth market research to identify the optimal time for Issuance and given the complexity and the need for careful market assessment, the Company is of the view that the extension of validity period for 1 year would provide the Company with sufficient time to complete the Issuance successfully.

For the specific contents of the plan for the Issuance of the A Share Convertible Corporate Bonds which was previously considered and approved, please refer to the circular of the Company dated July 5, 2024.

The above proposal was considered and approved at the twelfth meeting of the fourth session of the Board of Directors.

A special resolution will be proposed by the Board at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to approve the extension of the validity period of the resolution of the general meeting of shareholders on the Issuance of A Share Convertible Corporate Bonds to non-specific investors.

**15. To consider and approve the extension of the validity period of the 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**

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 was considered and approved at the 2024 first extraordinary general meeting, the 2024 second H Shareholders' class meeting and the 2024 second A Shareholders' class meeting convened by the Company on August 8, 2024.

According to the aforesaid meeting resolution, the validity period of the Relevant Authorizations of the Issuance shall be twelve months from the date on which the resolution was considered and approved at the 2024 first extraordinary general meeting, the 2024 second H Shareholders' class meeting and the 2024 second A Shareholders' class meeting.

As disclosed in the announcement of the Company dated March 19, 2025, the Issuance has been approved by the CSRC for registration. As the relevant work on the Issuance is still under progress and the validity period of the Relevant Authorizations of the Issuance will soon expire, in order to ensure the smooth implementation of the relevant work by the Company related to the Issuance, it is proposed to extend the validity period of the Relevant Authorizations of the Issuance for twelve months from the date of the expiry of the original term. Save for the extension of the validity period of the Relevant Authorizations of the Issuance mentioned above, the other matters and details of the authorization to the Board granted by the general meeting of shareholders remain unchanged. For the specific contents of

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## LETTER FROM THE BOARD

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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 which was previously considered and approved, please refer to the circular of the Company dated July 5, 2024.

The above proposal was considered and approved at the twelfth meeting of the fourth session of the Board of Directors.

A special resolution will be proposed by the Board at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to approve the extension of the validity period of the 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.

### **V. THE AGM AND H SHAREHOLDERS' CLASS MEETING**

The Company will convene the AGM and H Shareholders' Class Meeting at 2:30 p.m. on Wednesday, May 21, 2025 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 AGM 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 April 11, 2025. The notices of the AGM and H Shareholders' Class Meeting are set out on pages AGM-1 to HCM-3 of this circular.

In accordance with Rule 14A.36 of the Hong Kong Listing Rules, any connected person who has material interests in such transactions must abstain from voting on the relevant resolution at the AGM. As at the Latest Practicable Date, CGN holds 29,736,876,375 Shares in our Company, representing approximately 58.89% of the total issued Shares, and therefore shall abstain from voting on the resolution on the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) at the AGM. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, there is (i) no shareholding trust or other agreement or arrangement or intention entered into by its ultimate beneficial owners and their respective associates which is binding upon them; and (ii) no obligation or entitlement of its ultimate beneficial owners and their respective associates, whereby they have or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis.

Whether or not you are able to attend and/or vote at the AGM and 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 AGM 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 Wednesday, April 30, 2025.

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## LETTER FROM THE BOARD

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If you intend to appoint a proxy to attend the AGM 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 AGM 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 AGM 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.

A Shareholders can vote on-site or by proxy, or through the Internet. For the voting method and registration method of participating in the AGM and/or A Shareholders' Class Meeting, please refer to the relevant announcement of the Company dated April 11, 2025 as published on the website of the Shenzhen Stock Exchange.

### **VOTING BY POLL AT THE AGM**

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all votes of the Shareholders at the AGM and the H Shareholders' Class Meeting must be taken by poll. The chairmen of the AGM and the H Shareholders' Class Meeting will therefore demand a poll for every resolution put to the vote of the AGM 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 in the case of a corporation, by its duly authorized representative) at the AGM 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 AGM AND THE H SHAREHOLDERS' CLASS MEETING**

In order to ascertain the entitlements of the Shareholders to attend and vote at the AGM and the H Shareholders' Class Meeting, the register of H Shareholders of the Company will be closed from Friday, April 18, 2025 to Wednesday, May 21, 2025 (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 Friday, April 18, 2025 will be entitled to attend and vote at the AGM and the H Shareholders' Class Meeting.

To be eligible to attend and vote at the AGM and 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 at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Thursday, April 17, 2025.

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## LETTER FROM THE BOARD

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### VI. RECOMMENDATION

The Board (including independent non-executive Directors) considers that resolutions to be proposed at the AGM and the H Shareholders' Class Meeting are in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM and the H Shareholders' Class Meeting.

### 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 the additional information set out in Appendices I to II 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, April 11, 2025

\* *For identification purpose only*

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

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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)**

April 11, 2025

*To Shareholders*

Dear Sir or Madam,

**Continuing Connected Transactions –  
2026-2028 Engineering Services Framework Agreement**

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to the fairness and reasonableness of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), 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.

First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (a) whether the 2026-2028 Engineering Services Framework Agreement is on normal commercial terms; (b) whether the terms and transactions of the 2026-2028 Engineering Services Framework Agreement are entered into in the ordinary and usual course of business of the Company, and fair and reasonable so far as the Independent Shareholders are concerned; and (c) whether the entering into of the 2026-2028 Engineering Services Framework Agreement is in the interests of the Company and the Shareholders as a whole.

Your attention is drawn to the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders of the Circular issued by First Shanghai Capital Limited, which contains its advice to the Independent Board Committee and the Independent Shareholders on the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) (the text of the letter of advice is set out on pages 37 to 45 of the Circular). Having considered the advice of First Shanghai Capital Limited, we are of the view that the transactions contemplated thereunder (including the proposed annual caps) of the 2026-2028 Engineering Services Framework Agreement are on normal commercial terms, in the ordinary and usual course of

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

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business of the Company, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Our view related to fairness and reasonableness is necessarily based on information, facts and circumstances currently prevailing.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions at the AGM to approve the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

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*

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

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*The following is the text of a letter received from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) for inclusion in this circular.*



**FIRST SHANGHAI CAPITAL LIMITED**

19th Floor, Wing On House  
71 Des Voeux Road Central  
Hong Kong

April 11, 2025

*To the Independent Board Committee and  
the Independent Shareholders*

CGN Power Co., Ltd.\*  
18/F, South Tower, CGN Building  
No. 2002 Shennan Road  
Shenzhen, Guangdong Province  
PRC

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
2026-2028 ENGINEERING SERVICES FRAMEWORK AGREEMENT**

**INTRODUCTION**

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), details of which are set out in the circular of the Company to the Shareholders dated April 11, 2025 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

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

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The Company entered into the 2014 Engineering Services Framework Agreement with CGN on November 21, 2014, completed amendments to the aforesaid agreement on September 25, 2016 and completed renewals on March 12, 2019 and March 17, 2022. As a continuation of the Agreement Currently in Force (namely the 2023-2025 Engineering Services Framework Agreement) that is expiring on December 31, 2025, the Company entered into the 2026-2028 Engineering Services Framework Agreement with CGN on March 26, 2025 to renew for the period up to December 31, 2028, pursuant to which the Group shall provide a variety of engineering services (the “**Engineering Services**”) to CGN Group.

CGN (a state-owned enterprise) is a controlling shareholder of the Company, hence CGN is a connected person of the Company. Accordingly, the transactions contemplated under the 2026-2028 Engineering Services Framework Agreement constitute continuing connected transactions of the Company. As stated in the letter from the Board in the Circular (the “**Board Letter**”), the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are subject to, among other things, approval by the Independent Shareholders at the 2024 AGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua, has been established to advise the Independent Shareholders in respect the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps). We, First Shanghai Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### OUR INDEPENDENCE

Apart from normal professional fees paid or payable to us in connection with the current engagement for the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), we did not have any other relationships or interests with the Company within the past two years from the Latest Practicable Date and we consider ourselves independent to form our opinion for the current engagement.

### BASIS OF OUR OPINION

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the management of the Group (the “**Management**”), and have assumed that all such information and representations made or referred to in the Circular and provided to us by the Management were true at the time they were made and continued to be true up to the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management and have been advised that no material facts have been withheld or omitted from the information

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

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provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Management nor have we conducted any form of investigation into the business, affairs or future prospects of the Group and CGN Group. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with note 1 to Rule 13.80 of the Hong Kong Listing Rules.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), we have taken into account the following principal factors and reasons:–

#### 1. Background to and reasons for the continuing connected transactions

The Group is primarily engaged in the construction, operation and management of nuclear power stations, sales of electricity generated by these stations and organization of the design development and scientific research for nuclear power stations. We have reviewed the annual results of the Company for the year ended December 31, 2024 and we note that, for the year ended December 31, 2024, the (i) approximately 76% of the total revenue of the Group was contributed from sales of electricity; and (ii) approximately 21% of the total revenue of the Group was contributed from construction, installation and design services.

CGN, being a state-owned enterprise and a controlling shareholder of the Company, is a large clean energy enterprise under supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CGN Group is principally engaged in the generation and sale of power, and the construction, operation and management of nuclear and non-nuclear clean energy projects.

The Company entered into the 2014 Engineering Services Framework Agreement with CGN on November 21, 2014, completed amendments to the aforesaid agreement on September 25, 2016 and completed renewals on March 12, 2019 and March 17, 2022. As a continuation of the Agreement Currently in Force (namely the 2023-2025 Engineering Services Framework Agreement) that is expiring on December 31, 2025, the Company entered into the 2026-2028 Engineering Services Framework Agreement with CGN on March 26, 2025 to renew for the period up to December 31, 2028, pursuant to which the Group shall provide the Engineering Services, primarily including (i) pre-construction engineering services; (ii) survey, design and technical services; (iii) engineering project management services; (iv) general engineering, procurement and construction services; (v) bidding agency services; (vi) sales of used and/or superfluous materials; and (vii) other engineering services, to CGN Group. As such, we understand the Group has been conducting and is expected to continue to conduct the

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

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continuing connected transactions regarding the provision of the Engineering Services to CGN Group. With reference to the Board Letter, the provision of engineering services is one of the principal operations of the Group and the transactions thereunder are revenue in nature in the ordinary course of business of the Group.

Having considered, in particular, (i) the transactions under the 2026-2028 Engineering Services Framework Agreement are revenue in nature to the Group and are in line with the core businesses of the Group; (ii) the 2026-2028 Engineering Services Framework Agreement is for the continuation of the Agreement Currently in Force that is expiring on December 31, 2025; and (iii) the terms of the 2026-2028 Engineering Services Framework Agreement are fair and reasonable as discussed below, we are of the view that the entering into of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the continuing connected transactions**

The 2026-2028 Engineering Services Framework Agreement was entered into on March 26, 2025, which we understand to be on substantially the same terms as the Agreement Currently in Force, to renew the Agreement Currently in Force for the period up to December 31, 2028.

In respect of the principal terms of the 2026-2028 Engineering Services Framework Agreement, the following pricing principles shall apply to the pricing of services contemplated under the 2026-2028 Engineering Services Framework Agreement in the following order:

- (i) “government price” (i.e. government-prescribed price and government-guided price): if at any time, the government-prescribed price is applicable to any particular type of products, technologies or services, such product, technology or service shall be supplied at the applicable government-prescribed price. Where a government-guided price standard is available, the price shall be agreed by reference to the government-guided price;
- (ii) “market price”: the price of the same or similar products or services provided with an Independent Third Party in the ordinary course of business on normal commercial terms; and
- (iii) “agreed price”: the price to be determined by adding a reasonable profit over a reasonable cost.

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

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In respect of the internal control measures for the 2026-2028 Engineering Services Framework Agreement, we note that, among other things,

- (i) for the government price principle, the Group reviews the relevant government-prescribed price or government-guided price to ensure that the prices with CGN Group complies with the relevant government-prescribed price or government-guided price;
- (ii) for the market price principle, regarding the provision of products or services to CGN Group, the Group reviews the terms provided to the Independent Third Parties, and ensures that the principal terms provided to CGN Group are no less favourable to the Group than those provided to the Independent Third Parties;
- (iii) for the agreed price principle, if both the principles of the government price and market price are not applicable, the prices with CGN Group will be determined by adding a reasonable profit over a reasonable cost, and the Group will ensure that the relevant profit margin is no less favourable than that with the Independent Third Parties; and
- (iv) in accordance with the Hong Kong Listing Rules, (a) the external auditors of the Group will continue to report annually on the Continuing Connected Transactions to confirm, among other matters, whether the Continuing Connected Transactions were entered into in accordance with their respective framework agreements and, for the transactions involving the provision of goods or services by the Group, to confirm whether anything has come to their attention that causes them to believe the Continuing Connected Transactions are not, in all material respects, in accordance with the pricing policies of the Group; and (b) the independent non-executive Directors will continue to review and report annually on whether the Continuing Connected Transactions are, among other things, entered into in accordance with the respective framework agreements governing them and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Further details of the principal terms and the internal control measures of the 2026-2028 Engineering Services Framework Agreement are set out in the Board Letter.

We note from the two latest published annual reports of the Company that, in accordance with the Hong Kong Listing Rules, (i) the Company had engaged external auditor to report on the Continuing Connected Transactions of the Group for each of these two recent years and the external auditor of the Company had issued unqualified letters in respect of such transactions; and (ii) the independent non-executive Directors had also reviewed the Continuing Connected Transactions of the Group for each of these two recent years and confirmed that such transactions were, among other things, on normal commercial terms or more favourable terms.

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

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In addition, we are advised by the Management that, during the year ended December 31, 2024, six of the seven categories of the Engineering Services recorded transactions. Hence, for these six service categories, we have reviewed five sets of the largest transactions and one set from random samples (i.e. one set for each category, with a total of six sets of sample transactions). Based on our review, we understand the sample transactions with CGN Group had adhered to the pricing policies aforementioned, given (i) for the government price principle, we have reviewed the pricing of the sample transaction with CGN Group, and we have also reviewed the relevant government price document, where we noted that the pricing of the sample transaction with CGN Group had made reference to such relevant government price, which complied with the government price principle stipulated under the 2026-2028 Engineering Services Framework Agreement; (ii) for the market price principle, we have reviewed the pricing of the sample transaction with CGN Group, and we have also reviewed the relevant pricing document with independent third party, where we noted that the pricing of the sample transaction with CGN Group was no less favourable to the Group when compared to the pricing with independent third party, which complied with the market price principle stipulated under the 2026-2028 Engineering Services Framework Agreement; and (iii) for the agreed price principle, we have reviewed the cost plus margin of the sample transaction with CGN Group, and we have also reviewed the relevant margin with independent third party, where we noted that the cost plus margin of the sample transaction with CGN Group was no less favourable to the Group when compared to the margin with independent third party, which complied with the agreed price principle stipulated under the 2026-2028 Engineering Services Framework Agreement.

Having considered, in particular, (i) our review of the pricing terms of 2026-2028 Engineering Services Framework Agreement, which shall in essence be no less favourable than those with the Independent Third Parties; (ii) the internal control measures of the Group, particularly the review of, where applicable, the government price and the prices with the Independent Third Parties; and (iii) the track record of compliance where the independent auditors of the Company and the independent non-executive Directors had reviewed and will continue to review the Continuing Connected Transactions of the Group, we are of the view that (i) the Group has sufficient internal control measures for governing the 2026-2028 Engineering Services Framework Agreement; and (ii) the terms of the 2026-2028 Engineering Services Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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

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**3. The proposed annual caps**

The following table sets out (i) the historical actual transaction amounts of the Agreement Currently in Force for each of the years ended December 31, 2023 and 2024; (ii) the current approved annual cap of the Agreement Currently in Force for the year ending December 31, 2025; and (iii) the proposed annual caps of 2026-2028 Engineering Services Framework Agreement for each of the years ending December 31, 2026, 2027 and 2028.

	Historical actual transaction amounts For the year ended 31 December		Current approved annual cap For the year ending 31 December	Proposed annual caps For the year ending 31 December			
	2023	2024	2025	2026	2027	2028	
	Total fees received/ receivable from CGN Group ( <i>in RMB million</i> )	16,740	17,188	43,111	33,600	31,400	32,000

We note that the historical actual transaction amounts for each of the years ended December 31, 2023 and 2024 was approximately RMB16,740 million and RMB17,188 million, respectively, representing an annual growth of approximately 3%, and the proposed annual caps for each of the years ending December 31, 2026, 2027 and 2028 is RMB33,600 million, RMB31,400 million and RMB32,000 million, respectively. Regarding the potential increase from around the level of RMB17,000 million in years 2023 and 2024 to the level of around RMB31,000 million to RMB34,000 million in years 2026, 2027 and 2028 (the “**Increase**”), we have reviewed the breakdown of the proposed annual caps and we note that the higher level of expected transaction amounts in the coming years are mainly attributable to the engineering services related to several nuclear power plant construction projects in the PRC. Accordingly, we have further reviewed the projects with the largest estimated transaction amounts (the “**Large Projects**”), where the Large Projects have an aggregate estimated transaction amount of approximately RMB28,780 million, RMB29,128 million and RMB31,310 million, representing approximately 86%, 93% and 98% of the proposed annual caps, for each of the years ending 31 December 2026, 2027 and 2028, respectively, being our review coverage. We note that service agreements have already been entered into for some of these Large Projects, where these agreements state the breakdown of the transaction amount for every upcoming year. Accordingly, we have reviewed such agreements that aggregately accounts for approximately RMB14,830 million, RMB12,303 million and RMB6,960 million, representing approximately 44%, 39% and 22% of the proposed annual caps, for each of the years ending 31 December 2026, 2027 and 2028, respectively, where we note that the estimated transaction amounts for these Large Projects are generally in line with the contractual amounts as stated in the agreements for the respective years. For the other Large Projects that service agreements

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

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have not yet been entered into, we have (i) reviewed government websites to ensure the development of these Large Projects are actual and ongoing; and (ii) reviewed the transaction amounts of projects with comparable scale in terms of wattage capacity of the power plant, where either transaction amount had been incurred with the Group or service agreements had been entered into with the Group (i.e. the aforementioned service agreements of the Large Projects with comparable wattage capacity), and we note that the estimated transaction amounts for each year of these Large Projects are generally in line with those of the comparable projects. In respect of our aforementioned review, we were not aware of any material matter that caused us to doubt the fairness and reasonableness of the estimated transaction amounts for the reviewed projects.

Moreover, regarding the nuclear industry, we have reviewed the report titled “*The Path to a New Era for Nuclear Energy*” dated January 2025 (the “**Industry Report**”) that was published by the International Energy Agency (國際能源署), where we understand from the Industry Report that (i) the demand for electricity is rising fast, not only for conventional uses such as light industry or air conditioning, but also in new areas such as electric vehicles, data centres and artificial intelligence; (ii) nuclear power produces just under 10% of global generation and is the second-largest source of low-emissions electricity today after hydropower; (iii) building a nuclear reactor has taken an average of seven years, but has exceeded a decade in some cases; (iv) 63 nuclear reactors with a combined power capacity of 71 gigawatt were under construction globally, out of which 29 reactors with a total capacity of 33 gigawatt were in the PRC as of the end of 2024; and (v) the PRC is on course to overtake both the United States and European Union in installed nuclear power capacity by 2030, where the installed nuclear power capacity of the PRC is expected to increase from approximately 57 gigawatt in 2023 to approximately 101 gigawatt in 2030 in the stated policies scenario, representing a compound annual growth rate of approximately 9% during the period. Hence, the positive industry prospect is a supportive factor for the Increase.

In addition, we note that the historical actual transaction amount for the year ended December 31, 2024 already accounted for more than half of the highest proposed annual cap (being the proposed annual cap for the year ending December 31, 2026).

Taking into account, in particular, (i) the proposed annual caps provides flexibility for the Group to further generate revenue via the provision of the Engineering Services; (ii) our review of the major nuclear projects underlying the Increase, particularly the significant proportion of the estimated transaction amounts underlying the proposed annual caps that we have reviewed; (iii) the nuclear power industry in the PRC is expected to grow; and (iv) the historical actual transaction amount for the year ended December 31, 2024 already accounted for more than half of the highest proposed annual cap, we consider the proposed annual caps for the 2026-2028 Engineering Services Framework Agreement to be fair and reasonable so far as the Independent Shareholders are concerned.

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

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**RECOMMENDATION**

Having considered the above principal factors and reasons, we are of the opinion that the entering into of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. We are also of the view that the terms of the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder are on normal commercial terms and, together with the relevant proposed annual caps, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves advise, the Independent Shareholders to vote in favour of the ordinary resolution(s) to approve the 2026-2028 Engineering Services Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) at the 2024 AGM.

Yours faithfully,  
For and on behalf of  
**First Shanghai Capital Limited**

**Kenneth Yam**  
*Executive Director*

**Roger Tang**  
*Director*

*Note:* Mr. Kenneth Yam has been a Responsible Officer and Mr. Roger Tang has been a Representative of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Both of them have extensive experience in the corporate finance industry and have participated in the provision of independent financial advisory services for numerous connected transactions involving listed companies in Hong Kong.

**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 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 and/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 C3 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:

<b>Shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Number and class of Shares</b>	<b>Approximate % in the relevant class of Shares (%)</b>	<b>Approximate % of issued Shares of the Company (%)</b>
CGN	Beneficial owner	29,176,641,375 A Shares (L)	74.17	57.78
		560,235,000 H Shares (L)	5.02	1.11

Shareholder	Capacity/Nature of interest	Number and class of Shares	Approximate % in the relevant class of Shares (%)	Approximate % of issued Shares of the Company (%)
Guangdong Hengjian Investment Holdings Co., Ltd.* (廣東恒健投資控股有限公司)	Beneficial owner	3,428,512,500 A Shares (L)	8.72	6.79
BlackRock, Inc.	Interest of controlled corporation	751,802,713 H Shares (L)	6.73	1.49
		56,885,000 H Shares (S)	0.51	0.11
Citigroup Inc.	Interest of controlled corporation	34,529,162 H Shares (L)	0.31	0.07
	Approved lending agent	615,976,359 H Shares (L)	5.52	1.22
	Interest of controlled corporation	31,712,513 H Shares (S)	0.28	0.06

*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, 2024, 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, 2024 (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, 2024, 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.

<b>Name of Director</b>	<b>Position in our Company</b>	<b>Other interests</b>
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. 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 subsidiary of the Group.

## 11. EXPERT AND CONSENTS

The following are the qualifications of the expert who has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
First Shanghai Capital Limited	Licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

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 subsidiary of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any subsidiary 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, 2024 (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.

## 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 (the share registrar and transfer office of our Company in Hong Kong), Computershare Hong Kong Investor Services Limited, 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](http://www.hkexnews.hk)) and our Company ([www.cgnp.com.cn](http://www.cgnp.com.cn)) from the date of this circular up to 14 days (inclusive) thereafter:

- (a) the 2026-2028 Engineering Services Framework Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 35 to 36 in this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 37 to 45 in this circular; and
- (d) the written consent referred to in paragraph headed “Expert and Consents” in this appendix.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Hong Kong Listing Rules to be given to the Shareholders of the Company relating to the proposed Repurchase Mandate which is set out as follows:

### **1. REASONS FOR REPURCHASE OF SHARES**

To enable the Board to repurchase Shares within a short period of time in appropriate circumstances to seek the best interests of the Company and its Shareholders and to protect the interests of investors, it is proposed that a general mandate be granted to the Board to repurchase Shares (including both domestic A Shares and/or overseas H Shares). Such repurchases will, depending on market conditions, be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

### **2. NUMBER OF SHARES PROPOSED TO BE REPURCHASED**

As at the Latest Practicable Date, the total number of issued Shares of the Company was 50,498,611,100 Shares, comprising 39,334,986,100 A Shares and 11,163,625,000 H Shares and the Company did not have any treasury shares. Subject to the passing of the resolutions granting the H Share Repurchase Mandate and the A Share Repurchase Mandate and on the basis that no further H Shares or A Shares are issued or repurchased prior to the 2024 AGM, if repurchased in full, the number of Shares that may be repurchased shall not exceed 5,049,861,110 Shares, of which the number of A Shares that may be repurchased shall not exceed 3,933,498,610 Shares and the number of H Shares that may be repurchased shall not exceed 1,116,362,500 Shares, representing approximately 10% of the A Shares and approximately 10% of the H Shares in issue as at the date of the notice of the 2024 AGM, respectively (excluding any treasury shares, if any). The specific number of Shares to be repurchased shall be subject to the actual number of Shares to be repurchased at the expiry of the repurchase period.

### **3. SOURCE OF FUNDING**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the PRC and the Hong Kong Listing Rules, as the case may be. The Directors propose that such share buy-backs, if and when effected, would be appropriately financed by the Company's internal resources.

### **4. EFFECT ON WORKING CAPITAL**

As compared with the financial position of the Company as at December 31, 2024 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital or the gearing position of the Company in the event that the domestic A Share Repurchase Mandate and the overseas H Share Repurchase Mandate were to be exercised in full during the proposed repurchase period.

## 5. MARKET PRICES ON THE STOCK MARKET

Year	Month	A Shares		H Shares	
		Highest <i>RMB</i>	Lowest <i>RMB</i>	Highest <i>HKD</i>	Lowest <i>HKD</i>
2024	January	3.85	3.10	2.26	2.03
	February	4.06	3.60	2.48	2.14
	March	4.17	3.70	2.50	2.25
	April	4.32	3.91	2.77	2.32
	May	4.30	3.93	3.13	2.51
	June	4.64	4.18	3.50	2.92
	July	5.25	4.63	3.65	3.08
	August	5.09	4.61	3.57	3.08
	September	4.83	3.87	3.24	2.58
	October	4.92	4.00	3.44	2.75
	November	4.22	3.85	2.91	2.55
	December	4.22	3.88	2.94	2.55
2025	January	4.15	3.48	2.83	2.40
	February	3.89	3.59	2.63	2.40
	March	3.77	3.56	2.62	2.42
	April	3.71	3.33	2.58	2.31

## 6. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase domestic A Shares and/or overseas H Shares pursuant to the specific approval, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and to the best knowledge of the Directors, CGN (as the Controlling Shareholder of our Company) directly held 29,736,876,375 Shares of the Company, representing approximately 58.89% of the issued share capital of the Company. If the specific approval is exercised in full, the interest of CGN in the Company will increase to up to approximately 65.43%. In the opinion of the Directors, such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as the aforesaid, the Directors are currently not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable laws and regulations as far as the Directors are aware, as a result of any repurchases of overseas H Shares and/or domestic A Shares pursuant to the offshore H Share Repurchase Mandate and/or the domestic A Share Repurchase Mandate.

## 7. STATUS OF REPURCHASED A SHARES AND H SHARES

Pursuant to the Rules for Repurchase of Shares by Listed Companies (《上市公司股份回購規則》) of the CSRC, with reference to the details in relation to the general mandate to repurchase Shares by the Company, the Company may repurchase A Shares in order to safeguard its value and Shareholders' rights and interests, or for use in employee stock ownership plans or as equity incentives. The Company has to announce a share repurchase plan which shall include particulars such as price range, purpose and size of the repurchase before making specific repurchase in the A share market, and such repurchased A Shares shall be dealt with according to the disclosed purposes within three years. In respect of the repurchased A Shares that are not being dealt with according to the disclosed purposes, they shall be cancelled before the expiration of the three years. If the purpose of repurchasing Shares is to maintain the value of the Company and Shareholders' rights and interests, the repurchased A Shares can also be sold through centralized bidding after fulfilling the pre-disclosure obligations.

With effect from June 11, 2024, the Hong Kong Listing Rules have been amended to remove the requirement to cancel repurchased H shares and to adopt a framework to allow the repurchased H shares to be held in treasury and to govern the resale of the treasury shares. As at the Latest Practicable Date, the Company had no repurchased H Shares and did not have any treasury shares. Under the laws of the PRC, the H Shares repurchased by the Company will be cancelled in accordance with the Articles of Association, and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

For any treasury shares deposited with CCASS pending resale on the Hong Kong Stock Exchange, the Company shall (i) procure its broker not to give any instructions to the Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

## 8. SECURITIES REPURCHASE MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, the Company had not purchased any domestic A Shares and/or overseas H Shares (whether on the Hong Kong Stock Exchange or otherwise).

**9. GENERAL INFORMATION**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Hong Kong Listing Rules) have any present intention to sell any Shares to the Company in the event that the proposed share repurchase and the granting of the Repurchase Mandate to repurchase domestic A Shares and/or overseas H Shares are approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Hong Kong Listing Rules) of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the proposed share repurchase and the granting of the Repurchase Mandate to repurchase domestic A Shares and/or overseas H Shares are approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the proposed share repurchase and the granting of the Repurchase Mandate to repurchase domestic A Shares and/or overseas H Shares in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the PRC.

Neither this explanatory statement nor the proposed share repurchase has any unusual features.

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## NOTICE OF 2024 ANNUAL GENERAL MEETING

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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)**

### NOTICE OF 2024 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 2024 annual general meeting (the “AGM”) of CGN Power Co., Ltd. (the “Company”) will be held at 2:30 p.m. on Wednesday, May 21, 2025 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 report of the Board of Directors for the year ended December 31, 2024.
2. To consider and approve the report of the Supervisory Committee for the year ended December 31, 2024.
3. To consider and approve the annual report for the year 2024.
4. To consider and approve the audited financial report for the year ended December 31, 2024.
5. To consider and approve the profit distribution plan for the year ended December 31, 2024.
6. To consider and approve the investment plan and capital expenditure budget for the year 2025.
7. To consider and approve the appointment of KPMG Huazhen LLP as the financial report auditor of the Company for the year 2025 until the end of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration.
8. To consider and approve the appointment of Pan-China Certified Public Accountants LLP as the internal control auditor of the Company for the year 2025 until the end of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration.

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## NOTICE OF 2024 ANNUAL GENERAL MEETING

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9. To consider and approve the performance evaluation results of independent non-executive Directors for the year 2024.
10. To consider and approve the continuing connected transactions – 2026-2028 Engineering Services Framework Agreement and the proposed annual caps thereunder.

### Special Resolutions

11. To consider and approve the registration and issuance of multi-type interbank debt financing instruments.
12. To consider and approve the grant of the general mandate to issue Shares to the Board of Directors for allotting, issuing and dealing with additional A Shares and/or H Shares during the Relevant Period.
13. To consider and approve the grant of the general mandate to repurchase Shares to the Board of Directors for Repurchasing A Shares and/or H Shares of the Company during the Relevant Period.
14. To consider and approve the extension of the validity period of the resolution of the general meeting of shareholders on the Issuance of A Share Convertible Corporate Bonds to non-specific investors.
15. To consider and approve the extension of the validity period of the 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, April 11, 2025

*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

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## NOTICE OF 2024 ANNUAL GENERAL MEETING

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*Notes:*

- a) All resolutions put to the vote at the AGM 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 (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), 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 register of members and eligibility for attending and voting at the AGM

In order to determine the list of Shareholders who are entitled to attend and vote at the AGM, the Company’s register of members will be closed from Friday, April 18, 2025 to Wednesday, May 21, 2025, 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 Friday, April 18, 2025 shall be entitled to attend and vote at the AGM. In order to be eligible for attending and voting at the AGM, 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 Thursday, April 17, 2025.

- c) Reply slip

The Shareholders who intend to attend and vote at the AGM (in person or by a proxy) shall complete the reply slip attached, and return it for registration by hand, by mail or by fax on or before Wednesday, April 30, 2025 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 AGM.

- d) Proxy

Any Shareholder entitled to attend and vote at the AGM 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 AGM.

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 AGM 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 AGM 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 AGM as the only holder entitled to vote. If more than one registered joint holders attend the AGM 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.

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## NOTICE OF 2024 ANNUAL GENERAL MEETING

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e) Miscellaneous

- (i) The Company's Shareholders or their proxies shall present their identity documents when attending the AGM (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 AGM (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 AGM is expected to last for no more than a 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

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# NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

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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)**

## NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 first 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 Wednesday, May 21, 2025 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 resolution:

### Special Resolutions

1. To consider and approve the grant of the general mandate to the Board of Directors for Repurchasing A Shares and/or H Shares of the Company during the Relevant Period.
2. To consider and approve the extension of the validity period of the resolution of the general meeting of shareholders on the Issuance of A Share Convertible Corporate Bonds to non-specific investors.
3. To consider and approve the extension of the validity period of the 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, April 11, 2025

*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

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## NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

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*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 (the "**Hong Kong Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), 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 register of members and 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 Friday, April 18, 2025 to Wednesday, May 21, 2025, 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 Friday, April 18, 2025 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 Thursday, April 17, 2025.

- c) Reply slip

The H Shareholders who intend to attend and vote at the H Shareholders' Class Meeting (in person or by a proxy) shall complete the reply slip attached, and return it for registration by hand, by mail or by fax on or before Wednesday, April 30, 2025 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.

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## NOTICE OF THE 2025 FIRST H SHAREHOLDERS' CLASS MEETING

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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 a 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,  
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