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**CGN NEW ENERGY HOLDINGS CO., LTD.**

**中國廣核新能源控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1811)**

## **Discloseable Transaction Equipment Purchase**

### **THE EQUIPMENT SUPPLY CONTRACT**

On 3 July 2023 (after trading hours), CGN Daesan Power, a wholly owned subsidiary of the Company, as purchaser, entered into the Equipment Supply Contract with the Supplier, as supplier, in respect of the purchase of the Equipment and related works for the Contract Price of approximately RMB847.88 million.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the transaction contemplated under the Equipment Supply Contract exceeds 5% but is less than 25%, the transaction contemplated under the Equipment Supply Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

On 3 July 2023 (after trading hours), CGN Daesan Power, a wholly owned subsidiary of the Company, as purchaser, entered into the Equipment Supply Contract with the Supplier, as supplier, in respect of the purchase of the Equipment and related works for the Contract Price of approximately RMB847.88 million.

## THE EQUIPMENT SUPPLY CONTRACT

The principal terms of the Equipment Supply Contract are set out below:

Date:	3 July 2023 (after trading hours)
Parties:	(i) CGN Daesan Power (as purchaser)  (ii) the Supplier (as supplier)
Equipment to be purchased:	Certain gas turbine generator and steam turbine generator, along with their auxiliaries and related materials, machineries, equipment, spare parts and tools
Contract price and payment terms:	The Contract Price consists of the base price of approximately RMB782.24 million and the expected costs for optional spare parts and technical assistance for installation of approximately RMB65.64 million, totaling approximately RMB847.88 million, and shall be paid by CGN Daesan Power to the Supplier by staged payment with each being payable within thirty (30) days of its invoicing date.
Passing of title to the Equipment:	The title to the Equipment shall pass to CGN Daesan Power upon the earlier of the Supplier's receipt of the Contract Price or when the Equipment is delivered to the delivery site.
Bank guarantees for advance payment and performance:	CGN Daesan Power shall not be obliged to make any payment until the Supplier has procured a satisfactory advance payment bank guarantee and performance bank guarantee as set out below:  (i) <i>Advance Payment Bank Guarantee.</i> The Supplier shall provide a bank guarantee covering 10% of the Contract Price as an advance payment bank guarantee, prior to the payment by CGN Daesan Power of the advance payment.  (ii) <i>Performance/Warranty Bank Guarantee.</i> The Supplier shall provide (a) a performance bank guarantee covering 15% of the Contract Price as a performance bond when invoicing the advance payment; and (b) a warranty bank guarantee covering 5% of the Contract Price as a warranty bond for the Equipment's warranty period.

## **BASIS OF DETERMINATION OF THE CONTRACT PRICE**

The Contract Price for the purchase of the Equipment and related works under the Equipment Supply Contract was determined by the parties after arm's length negotiation with reference to the technical specifications required for the Equipment, the capability, experience and reputation of the Supplier, and the prevailing market price of supplying similar equipment.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT SUPPLY CONTRACT**

The purchase of the Equipment was made in the usual and ordinary course of business of the Group in furtherance of the Group's principal business and thus beneficial to the Group's commercial interest in the long run. The Directors have reviewed the Equipment Supply Contract and are of the view that the terms and conditions of the Equipment Supply Contract are fair and reasonable, and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Group is a diversified independent power producer in terms of fuel type and geography, with a portfolio of gas-fired, coal-fired, oil-fired, wind, solar, hydro, cogen, fuel cell power and biomass projects in the PRC and Korea.

### **CGN Daesan Power**

CGN Daesan Power is a company established in Korea and a wholly owned subsidiary of the Company. It is principally engaged in generation and supply of electricity from an oil-fired combined cycle power plant.

### **The Supplier**

The Supplier, Mitsubishi Power, Ltd. is a company established in Japan. It is principally engaged in the sales of, among others, gas turbine combined cycle power plants, geothermal power plants, steam turbines, and generators.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Supplier and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Equipment Supply Contract exceeds 5% but is less than 25%, the transaction contemplated under the Equipment Supply Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“CGN Daesan Power”	CGN Daesan Power Co., Ltd., a company established in Korea and a wholly owned subsidiary of the Company
“Company”	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)
“Contract Price”	the consideration for the Equipment and related works which is approximately RMB847.88 million, comprising the base price of approximately RMB782.24 million (being the equivalent of the combined amount of US\$49,574,000, JPY8,160,000,000 and KRW2,876,000,000) and the expected costs for optional spare parts and technical assistance for installation of approximately RMB65.64 million (being the equivalent of US\$9,079,500)
“Directors”	the directors of the Company
“Equipment”	the gas turbine generator and steam turbine generator, as described in the Equipment Supply Contract, along with their auxiliaries and related materials, machineries, equipment, spare parts and tools
“Equipment Supply Contract”	the Equipment Supply Contract between CGN Daesan Power and the Supplier dated 3 July 2023
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JPY”	Japanese Yen, the lawful currency of Japan
“Korea”	the Republic of Korea
“KRW”	Korean Won, the lawful currency of Korea
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Supplier”	Mitsubishi Power, Ltd., a company incorporated in Japan
“PRC”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only and except when the context requires, references in this announcement to the PRC do not include Taiwan, the Macau Special Administrative Region and Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	registered holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board  
**CGN New Energy Holdings Co., Ltd.**  
**Zhang Zhiwu**  
*Chairman, President and Executive Director*

Hong Kong, 3 July 2023

*As at the date of this announcement, the Board comprises seven Directors, namely:*

<i>Chairman, President and Executive Director</i>	<i>:</i>	<i>Mr. Zhang Zhiwu</i>
<i>Non-executive Directors</i>	<i>:</i>	<i>Mr. Wang Hongxin, Mr. Chen Xinguo and Mr. Bian Shuming</i>
<i>Independent Non-executive Directors</i>	<i>:</i>	<i>Mr. Wang Minhao, Mr. Yang Xiaosheng and Mr. Leung Chi Ching Frederick</i>