

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 Construction Contract**

### **THE CONSTRUCTION CONTRACT**

On 18 September 2023 (after trading hours), CGN Daesan Power, a wholly owned subsidiary of the Company, as employer, entered into the Construction Contract with Hanwha Corporation, as contractor, pursuant to which CGN Daesan Power agreed to engage Hanwha Corporation to carry out the Construction Work. The Contract Price payable by CGN Daesan Power under the Construction Contract is approximately KRW242.6 billion (equivalent to approximately USD180 million) (subject to adjustments).

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the transaction contemplated under the Construction Contract exceeds 5% but is less than 25%, the transaction contemplated under the Construction 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.

# THE CONSTRUCTION CONTRACT

A summary of the principal terms of the Construction Contract is set out below:

<b>Date</b>	18 September 2023
<b>Parties</b>	(1) CGN Daesan Power (as employer)  (2) Hanwha Corporation (as contractor)
<b>Subject matter</b>	<p>Hanwha Corporation shall be appointed as the contractor to carry out the Construction Work.</p> <p>The scope of the Construction Work includes the construction, installation and testing of the CGN Power Plant, together with the operation of the construction site and any other place as set out in the Construction Contract.</p> <p>The CGN Power Plant, a combined cycle liquefied natural gas fired power plant to be constructed in Korea, will consist of a single unit with an estimated facility capacity of 512 MW.</p>
<b>Contract price</b>	The Contract Price payable by CGN Daesan Power to Hanwha Corporation under the Construction Contract is approximately KRW242.6 billion (equivalent to approximately USD180 million), subject to adjustments due to (1) design changes; (2) cost escalation; and (3) other reasons such as force majeure events, work suspension and changes in laws.
<b>Construction commencement and expected completion date</b>	<p>(1) <b><i>Construction commencement date:</i></b> the date as stated in the commencement notice issued by CGN Daesan Power to Hanwha Corporation in the form set out in the Construction Contract.</p> <p>(2) <b><i>Expected completion date:</i></b> thirty-three (33) months after the construction commencement date.</p>

**Payment terms and  
schedule**

- (1) ***Advance payment.*** After Hanwha Corporation has provided a satisfactory advance payment bank guarantee and performance bank guarantee as set out in “Bank guarantees for advance payment, performance and warranty period” below, Hanwha Corporation may claim the advance payment equivalent to ten per cent (10%) of the Contract Price, and CGN Daesan Power shall pay such advance payment within 30 days thereafter.
- (2) ***Progress payment.*** After receipt of the notice of inspection for the partial completed works from CGN Daesan Power, Hanwha Corporation may submit an invoice of progress payment for payment of the partial completed works. Subject to CGN Daesan Power’s right to request for correction of any error in such invoice, it shall pay the progress payment within 30 days after receipt of such invoice in accordance with the Construction Contract.
- (3) ***Settlement of completion.*** After completion of the Construction Work and within 30 days of receiving a certificate of provisional acceptance from CGN Daesan Power, Hanwha Corporation shall submit an application for settlement of completion to CGN Daesan Power. Subject to CGN Daesan Power’s right to request for correction of any error in such application, it shall pay the completion settlement payment within 30 days after receipt of such application in accordance with the Construction Contract.

**Bank guarantees for  
advance payment,  
performance and  
warranty period**

- (1) **Advance Payment Guarantee.** Hanwha Corporation 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.
- (2) **Performance Security.** Within 5 days after commencement of the Construction Work, Hanwha Corporation shall provide a performance bank guarantee covering 15% of the Contract Price as a performance bond.
- (3) **Warranty Period Security.** Hanwha Corporation shall provide a warranty period bank guarantee covering 5% of the Contract Price as a warranty bond for the warranty period of the Construction Work.

**BASIS OF DETERMINATION OF THE CONTRACT PRICE**

The Contract Price was determined on an arms' length basis and with reference to (1) the scope of the Construction Work, (2) the various services required by CGN Daesan Power in respect of the Construction Work, and (3) the prevailing market conditions regarding such Construction Work, which the Board considers to be fair and reasonable.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT**

The construction of the CGN Power Plant was undertaken in furtherance of the Group's principal business and thus beneficial to the Group's commercial interest in the long run. The Board considers Hanwha Corporation to be a proven contractor in the construction, installation and testing of power plants and that it possesses the necessary professional qualification and extensive experience in undertaking such work for CGN Daesan Power and is expected to be able to ensure the smooth implementation of the Construction Work. The Construction Contract was negotiated on an arm's length basis and are on normal commercial terms.

Based on the above, the Board is of the view that the terms of the Construction Contract are fair and reasonable 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.

### **Hanwha Corporation**

Hanwha Corporation is a company established in Korea, the shares of which are listed on the Korea Stock Exchange (stock code: 000880.KS). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Hanwha Corporation is principally engaged in the engineering construction business in the fields of commercial properties, residential buildings, infrastructure, chemical plants and power plants.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Hanwha Corporation and its ultimate beneficial owner(s) 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 Construction Contract exceeds 5% but is less than 25%, the transaction contemplated under the Construction 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

“CGN Power Plant”	a combined cycle liquefied natural gas fired power plant to be constructed in Korea under the Construction Contract
“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 payable by CGN Daesan Power to Hanwha Corporation under the Construction Contract which is the total amount of direct cost, overhead cost, and profit margin of the Construction Work, and includes adjustments (if any) in accordance with the Construction Contract
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Construction Contract”	the construction contract dated 18 September 2023 entered into between CGN Daesan Power and Hanwha Corporation for the Construction Work
“Construction Work”	all works performed by Hanwha Corporation and its subcontractor for the construction, installation and testing of the CGN Power Plant, together with the operation of the construction site and any other place as set out in the Construction Contract
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hanwha Corporation”	Hanwha Corporation, a company established in Korea, the shares of which are listed on the Korea Stock Exchange (stock code: 000880.KS)
“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

“MW”	Megawatts
“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 Hong Kong of the PRC, the Macau Special Administrative Region of the PRC and Taiwan region 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.

\* For identification purpose only.

By Order of the Board  
**CGN New Energy Holdings Co., Ltd.**  
**Li Guangming**  
*President and Executive Director*

Hong Kong, 18 September 2023

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

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