

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

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

If you have sold or transferred all your shares in CGN New Energy Holdings Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---



**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)**

**(1) MAJOR TRANSACTIONS  
AND  
CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF THE FINANCIAL SERVICES  
FRAMEWORK AGREEMENTS;**

**AND**

**(2) NOTICE OF SPECIAL GENERAL MEETING**

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

**ALTUS CAPITAL LIMITED**

---

A notice convening the Special General Meeting of CGN New Energy Holdings Co., Ltd. (the “Company”) to be held at Basement 2 The Boardroom, Wharney Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 28 December 2023 at 10:00 a.m. (Hong Kong time) is set out on pages 51 to 53 of this circular. A form of proxy for use at the Special General Meeting (or at any adjournment thereof) is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cgnne.com](http://www.cgnne.com)).

If you are not able to attend the Special General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof (as the case may be) if you so wish.

24 November 2023

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
 <b>LETTER FROM THE BOARD</b>	
1. INTRODUCTION .....	5
2. MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS .....	6
3. SPECIAL GENERAL MEETING AND PROXY ARRANGEMENT .....	23
4. RECOMMENDATIONS .....	24
5. FURTHER INFORMATION .....	25
 <b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	 26
 <b>LETTER FROM ALTUS CAPITAL LIMITED</b> .....	 28
 <b>APPENDIX I – FINANCIAL INFORMATION</b> .....	 42
 <b>APPENDIX II – GENERAL INFORMATION</b> .....	 46
 <b>NOTICE OF SPECIAL GENERAL MEETING</b> .....	 51

---

## DEFINITIONS

---

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“CGN”	China General Nuclear Power Corporation (中國廣核集團有限公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company indirectly holding approximately 72.33% of the issued share capital in the Company as at the Latest Practicable Date
“CGN Energy International”	CGN Energy International Holdings Co., Limited (中國廣核能源國際控股有限公司), a company established in Hong Kong and a controlling shareholder of the Company
“CGN Finance”	CGN Finance Co., Ltd.* (中廣核財務有限責任公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
“CGN Group”	CGN and its subsidiaries, excluding the Group
“CGNPC Huasheng”	CGNPC Huasheng Investment Limited* (中廣核華盛投資有限公司), a company established in Hong Kong and a wholly owned subsidiary of CGN
“CGNPC International”	CGNPC International Limited (中廣核國際有限公司), a company established in Hong Kong and a controlling shareholder 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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company

---

## DEFINITIONS

---

“Financial Services Annual Caps”	the proposed annual caps in respect of the transactions contemplated under the Financial Services Framework Agreements for each of the three years ending 31 December 2026
“Financial Services (CGN Finance) Framework Agreement”	the agreement in relation to the deposit and other financial services arrangements in the PRC provided by CGN Finance to the Group entered into on 12 September 2014, which was subsequently renewed for three further terms from 30 May 2015 to 31 December 2017, from 1 January 2018 to 31 December 2020, and from 1 January 2021 to 31 December 2023, the details of the renewals of the agreement were set out in the announcements of the Company dated 10 November 2017 and 10 November 2020 and the circulars of the Company dated 30 November 2017 and 25 November 2020
“Financial Services (CGNPC Huasheng) Framework Agreement”	the agreement in relation to the deposit and other financial services arrangements in Hong Kong provided by CGNPC Huasheng to the Group entered into on 12 September 2014, which was subsequently renewed for three further terms from 30 May 2015 to 31 December 2017, from 1 January 2018 to 31 December 2020, and from 1 January 2021 to 31 December 2023, the details of the renewals of the agreement were set out in the announcements of the Company dated 10 November 2017 and 10 November 2020 and the circulars of the Company dated 30 November 2017 and 25 November 2020
“Financial Services Framework Agreements”	collectively, the Financial Services (CGNPC Huasheng) Framework Agreement and the Financial Services (CGN Finance) Framework Agreement
“Group”	the Company and its subsidiaries
“GW”	gigawatt, equal to one million kilowatts
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all of the independent non-executive Directors

---

## DEFINITIONS

---

“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps
“Independent Shareholders”	the Shareholders other than CGN and its associates (as defined under the Listing Rules)
“Korea”	the Republic of Korea
“Latest Practicable Date”	21 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“NEA”	National Energy Administration of the PRC
“Overlapping Directors”	Directors who are also directors and/or senior management of certain members of the CGN Group, namely Mr. Zhang Zhiwu, Mr. Li Guangming, Mr. Wang Hongxin and Mr. Chen Xinguo
“PBOC”	the People’s Bank of China
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular and for geographical reference only and except when the context requires, references in this circular 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

---

## DEFINITIONS

---

“Renewal Date”	1 January 2024, provided that, in respect of the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps, it is conditional upon the approval by the Independent Shareholders at the Special General Meeting
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the share(s) of the Company
“Special General Meeting”	the special general meeting or any adjournment thereof of the Company to be held at Basement 2 The Boardroom, Wharney Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 28 December 2023 at 10:00 a.m. (Hong Kong time) to, among others, consider and, if thought fit, approve the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps, notice of the meeting is set out on pages 51 to 53 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“TWh”	terawatt-hour, or one million megawatt-hours. TWh is typically used as a measure for the annual energy production of a region or a country
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

\* For identification purpose only.

---

LETTER FROM THE BOARD

---



**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)**

*Secretary of the Communist Party Committee,*

*Chairman and Executive Director:*

Mr. Zhang Zhiwu

*President and Executive Director:*

Mr. Li Guangming

*Non-executive Directors:*

Mr. Wang Hongxin

Mr. Chen Xinguo

*Independent non-executive Directors:*

Mr. Wang Minhao

Mr. Yang Xiaosheng

Mr. Leung Chi Ching Frederick

*Registered office:*

Victoria Place

31 Victoria Street

Hamilton

HM10

Bermuda

*Headquarters and principal place of  
business in Hong Kong:*

15th Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

24 November 2023

*To the Shareholders*

Dear Sir/Madam,

**(1) MAJOR TRANSACTIONS  
AND  
CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF THE FINANCIAL SERVICES  
FRAMEWORK AGREEMENTS;**

**AND**

**(2) NOTICE OF SPECIAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to (a) provide you with information in respect of the resolutions to be proposed at the Special General Meeting for the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps; (b) set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the matters set out in (a) above, and the recommendation and opinion of the Independent Board Committee to the Independent Shareholders after taking into consideration of the advice of the Independent Financial Adviser; and (c) give you notice of the Special General Meeting.

---

## LETTER FROM THE BOARD

---

### 2. MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

#### **Renewal of the Financial Services Framework Agreements**

##### ***Introduction***

References are made to the announcements of the Company dated 18 March 2015, 10 November 2017, 10 November 2020 and 8 November 2023, and the circulars of the Company dated 20 April 2015, 30 November 2017 and 25 November 2020 in relation to, among others, the Financial Services Framework Agreements. The Company has served a notice to each of CGNPC Huasheng and CGN Finance to renew the term of the Financial Services (CGNPC Huasheng) Framework Agreement and the Financial Services (CGN Finance) Framework Agreement, respectively, upon the expiry of their respective terms on 31 December 2023. Subject to the compliance of the Listing Rules by the Company, the Financial Services Framework Agreements will be renewed for three financial years from the Renewal Date and shall continue up to and including 31 December 2026.

The principal terms of the Financial Services Framework Agreements are summarized below.

(a) *Renewal of the Financial Services (CGNPC Huasheng) Framework Agreement*

Date

12 September 2014

Parties

(1) The Company; and

(2) CGNPC Huasheng



---

## LETTER FROM THE BOARD

---

### Principal terms

Pursuant to the Financial Services (CGNPC Huasheng) Framework Agreement, the Group may from time to time deposit money with CGNPC Huasheng, through arrangements set up with third party commercial bank(s). CGNPC Huasheng shall accept deposits from the Group at an interest rate not less than the highest interest rate for the same type of deposit as may be offered in Hong Kong by (i) major independent third party commercial banks to the Group; and (ii) CGNPC Huasheng to other offshore subsidiaries, associates or affiliated companies of CGN. As CGNPC Huasheng is not a licensed deposit-taking company in Hong Kong, such deposit arrangements between the Group and CGNPC Huasheng in Hong Kong will be arranged through commercial bank(s) or other licensed financial institution(s) with which the deposit placing company within the Group and CGNPC Huasheng have opened and maintained depository accounts. Under such arrangement, the commercial bank(s) or other financial institution(s) are merely facilitating the deposit arrangements between the Group and CGNPC Huasheng. Once a deposit is placed, it will be automatically transferred to the account(s) maintained at such commercial bank(s) or other financial institution(s) under the name of CGNPC Huasheng. In return, CGNPC Huasheng shall offer interest at a rate of not less than the above-mentioned benchmark rate to the Group.

Subject to the compliance with applicable laws and regulations, money deposited by the Group with CGNPC Huasheng may be deployed by CGNPC Huasheng for other purposes including the provision of loans or other credit facilities to the Group and other subsidiaries, associates or affiliated companies of CGN in the ordinary course of its business. The Group may early withdraw the Group's deposits, together with any interest accrued and other receivables, before the deposit maturity date after a reasonable written notice is given to CGNPC Huasheng.

---

## LETTER FROM THE BOARD

---

Related to the above deposit services arrangements, the Group may from time to time request CGNPC Huasheng to provide loan services, including the provision of loan facilities, credit lines, revolving facilities, guarantees, bill acceptance and bill discount services, and finance leasing services. CGNPC Huasheng shall provide such loan services to the Group at an interest rate not higher than (i) the lowest interest rate as may be offered by any major third party commercial bank or financial institution to the Group, and (ii) the lowest interest rate as may be offered by CGNPC Huasheng to other subsidiaries, associates or affiliated companies of CGN, for the same type of loan services. The relevant subsidiaries of the Group will not be required to provide any security for such loan services provided that the amount of the loans does not exceed the maximum amount of deposits placed by such subsidiaries of the Group with CGNPC Huasheng. As at the Latest Practicable Date, the Company had outstanding loan balance of US\$250 million due to CGNPC Huasheng. Since such loan transactions were not secured by the assets of the Group and were conducted on normal commercial terms or better, they are fully exempt under Rule 14A.90 of the Listing Rules. In the event that the Group will require any loan or other financial services from CGNPC Huasheng under the Financial Services (CGNPC Huasheng) Framework Agreement for the three years ending 31 December 2026, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules accordingly.

The Group may from time to time request CGNPC Huasheng to provide intra-group or external settlement, transmittance or foreign exchange services outside the PRC or from Hong Kong to the PRC with deposits that have been placed by the Group with CGNPC Huasheng. CGNPC Huasheng shall provide such services to the Group at a service charge not higher than (i) the lowest service charge as may be offered by major independent third party commercial banks to the Group, and (ii) the lowest service charge that may be offered by CGNPC Huasheng to other subsidiaries, associates or affiliated companies of CGN outside the PRC for the same type of services.

CGNPC Huasheng shall provide the requisite services to the relevant subsidiaries of the Group which place deposits with it respectively to allow such relevant subsidiaries to choose to automatically rollover time deposits arrangements on the same terms and for the same duration without further instructions and authorization, unless and until CGNPC Huasheng receives instructions to terminate such automatic rollover arrangements.

---

## LETTER FROM THE BOARD

---

In the event of breach of any terms and conditions of the Financial Services (CGNPC Huasheng) Framework Agreement, the Company is, without prejudice to other rights and remedies of the Group, entitled to inform CGNPC Huasheng that all or part of the deposits placed by the Group to CGNPC Huasheng is immediately mature and request CGNPC Huasheng to repay all or part of the deposits, together with interest and all other fees payable immediately to the Group.

The Financial Services (CGNPC Huasheng) Framework Agreement does not prevent the Group from utilizing the depository services and other financial services set out therein provided by third party financial institutions or commercial banks. The Group is under no obligation or responsibility, and it is the Group's absolute discretion as to whether, to utilize the depository services and the financial services provided by CGNPC Huasheng as set out in the Financial Services (CGNPC Huasheng) Framework Agreement. At the same time, it is the sole discretion of CGNPC Huasheng as to whether to accept deposits from or provide other financial services to the Group as set out in the Financial Services (CGNPC Huasheng) Framework Agreement.

### Duration

The proposed term of the Financial Services (CGNPC Huasheng) Framework Agreement will, which is conditional upon the approval by the Independent Shareholders of the renewal of the Financial Services (CGNPC Huasheng) Framework Agreement and Financial Services Annual Caps at the Special General Meeting, commence on the Renewal Date, and shall continue up to and including 31 December 2026. The Financial Services (CGNPC Huasheng) Framework Agreement shall terminate on expiration of the then current term unless the Company notifies CGNPC Huasheng of its intention to extend the term for another three financial years within three months prior to the expiration of the then current term and complies with the relevant requirements under the Listing Rules. Further, the Company and CGNPC Huasheng shall have the right to terminate the Financial Services (CGNPC Huasheng) Framework Agreement by mutual agreement in writing among the parties with one month's advance notice. Subject to the compliance with the Listing Rules, there is no limit on the number of times that the term of the Financial Services (CGNPC Huasheng) Framework Agreement may be renewed in accordance with the above-mentioned procedures.

---

## LETTER FROM THE BOARD

---

### Reasons for and benefits of the renewal of the Financial Services (CGNPC Huasheng) Framework Agreement

The role of CGNPC Huasheng is similar to a cash pooling centre via which funds from different subsidiary companies within the Group and the CGN Group outside the PRC are concentrated into the accounts maintained by CGNPC Huasheng in Hong Kong which, in return, will pay interest on deposits received or charge interest on the loans provided. Through CGNPC Huasheng (and thereby centralized fund management), the Group and the CGN Group can enjoy the benefit of efficiency enhancement in fund deployment between subsidiaries of its group. The centralized cash management exercise primarily aims to enable cash surpluses of some members of the Group and the CGN Group to cover the funding requirements of others, which can reduce or remove the need for external financing. In addition, given that the interest rates offered by CGNPC Huasheng to the Group in respect of deposit services shall not be less than the highest interest rate for the same type of deposit as may be offered by major independent third party commercial banks to the Group in Hong Kong, entering into the Financial Services (CGNPC Huasheng) Framework Agreement will be beneficial to and in the interest of the Group. Ultimately, the primary aim is to optimize the efficient use of cash resources among the members of the Group and the CGN Group.

The Group is expected to benefit from the CGN Group's familiarity with the Group's industry and operations. Through years of cooperation, CGNPC Huasheng has become familiar with the Group's capital structure, business operations, funding needs, cash flow pattern, cash management and the overall financial administrative system of the Group, which enables it to render more expedient, efficient and flexible services to the Group as compared to other commercial banks and independent financial institutions in Hong Kong.

The Directors (including the independent non-executive Directors) consider that the terms of the Financial Services (CGNPC Huasheng) Framework Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms and, together with the Financial Services Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

(b) *Renewal of the Financial Services (CGN Finance) Framework Agreement*

Date

12 September 2014

Parties

- (1) The Company; and
- (2) CGN Finance

Principal terms (as amended)

Pursuant to the Financial Services (CGN Finance) Framework Agreement, the Group may from time to time deposit money with CGN Finance in the PRC. CGN Finance shall accept deposits from the Group at an interest rate not less than the highest interest rate for the same type of deposit as may be offered in the PRC by (i) major independent third party commercial banks to the Group; and (ii) CGN Finance to other onshore subsidiaries, associates or affiliated companies of CGN. Such deposit placing company within the Group will open and maintain RMB depository accounts with CGN Finance.

Subject to the compliance with applicable laws and regulations, money deposited by the Group with CGN Finance may be deployed by CGN Finance for the provision of loans or other credit facilities to the Group and other subsidiaries, associates and affiliated companies of CGN Group in the PRC similar to those provided by the PBOC or one or more other commercial banks in the PRC in the ordinary course of its business. The Group may early withdraw its deposits, together with any interest accrued and other receivables, before the deposit maturity date after a reasonable written notice is given to CGN Finance.

According to CGN Finance, based on the Administrative Measures for Enterprise Group Financial Companies (China Banking and Insurance Regulatory Commission Order No. 6 of 2022) effective from 13 November 2022, it will not provide the services of guarantees, bill commitment and finance leasing. Accordingly, the parties to the Financial Services (CGN Finance) Framework Agreement have agreed to amend the scope of loan and financial services provided by CGN Finance to reflect the above changes. Specifically, pursuant to the amendment, related to the above deposit services arrangements, the Group may from time to time request CGN Finance to provide loan services, including the provision of loan facilities, credit lines, revolving facilities, non-financing letters of guarantees, bill acceptance and bill discount services.

---

## LETTER FROM THE BOARD

---

CGN Finance shall provide such loan services to the Group at an interest rate not higher than (i) the lowest interest rate as may be offered by any major third party commercial bank or financial institution to the Group; and (ii) the lowest interest rate as may be offered by CGN Finance to other subsidiaries, associates or affiliated companies of CGN, for the same type of loan services. The relevant subsidiaries of the Group will not be required to provide any security for such loan services provided that the amount of the loans does not exceed the maximum amount of deposits placed by such subsidiaries of the Group with CGN Finance. As at the Latest Practicable Date, the Company had outstanding loan balance of approximately RMB2.1 billion due to CGN Finance. Since such loan transactions were not secured by the assets of the Group and were conducted on normal commercial terms or better, they are fully exempt under Rule 14A.90 of the Listing Rules. In the event that the Group will require any loan or other financial services from CGN Finance under the Financial Services (CGN Finance) Framework Agreement during the three years ending 31 December 2026, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules accordingly.

The Group may from time to time request CGN Finance to provide intra group or external settlement, transmittance or foreign exchange services within the PRC or from the PRC to Hong Kong, with deposits that have been placed by the Group with CGN Finance. CGN Finance shall provide such services to the Group at a service charge not higher than (i) the lowest service charge as may be offered by major independent third party commercial banks to the Group; and (ii) the lowest service charge that may be offered by CGN Finance to other subsidiaries, associates or affiliated companies of CGN within the PRC, for the same type of services.

In the event of breach of any terms and conditions of the Financial Services (CGN Finance) Framework Agreement, the Company is, without prejudice to other rights and remedies of the Group, entitled to inform CGN Finance that all or part of the deposits placed by the Group to CGN Finance is immediately mature and request CGN Finance to repay all or part of the deposits, together with interest and all other fees payable immediately to the Group.

---

## LETTER FROM THE BOARD

---

The Financial Services (CGN Finance) Framework Agreement does not prevent the Group from utilizing the depository services and other financial services set out therein provided by third party financial institutions or commercial banks. The Group is under no obligation or responsibility, and it is the Group's absolute discretion as to whether, to utilize the depository services and the financial services provided by CGN Finance as set out in the Financial Services (CGN Finance) Framework Agreement. At the same time, it is the sole discretion of CGN Finance as to whether to accept deposits from or provide other financial services to the Group as set out in the Financial Services (CGN Finance) Framework Agreement.

The reasons for the amendment to the Financial Services (CGN Finance) Framework Agreement

The amendment to the Financial Services (CGN Finance) Framework Agreement is due to the compliance with the Administrative Measures for Enterprise Group Financial Companies by CGN Finance.

Duration

The proposed term of the Financial Services (CGN Finance) Framework Agreement will, which is conditional upon the approval by the Independent Shareholders of the renewal of the Financial Services (CGN Finance) Framework Agreement and Financial Services Annual Caps at the Special General Meeting, commence on the Renewal Date, and shall continue up to and including 31 December 2026. The Financial Services (CGN Finance) Framework Agreement shall terminate on expiration of the then current term unless the Company notifies CGN Finance of its intention to extend the term for another three financial years within three months prior to the expiration of the then current term and complies with the relevant requirements under the Listing Rules. Further, the Company and CGN Finance shall have the right to terminate the Financial Services (CGN Finance) Framework Agreement by mutual agreement in writing among the parties with one-month's advance notice. Subject to the compliance with the Listing Rules, there is no limit on the number of times that the term of the Financial Services (CGN Finance) Framework Agreement may be renewed in accordance with the above-mentioned procedures.

---

## LETTER FROM THE BOARD

---

### Reasons for and benefits of the renewal of the Financial Services (CGN Finance) Framework Agreement

The role of CGN Finance is similar to a cash pooling centre via which funds from different members within the Group and the CGN Group (and its affiliates) in the PRC are concentrated into the accounts maintained by CGN Finance in the PRC which, in return, will pay interest on deposits received or charge interest on the loans provided. Through CGN Finance (and thereby centralized fund management), the Group and the CGN Group can enjoy the benefit of efficiency enhancement in fund deployment between subsidiaries of its group in the PRC. The centralized cash management exercise primarily aims to enable cash surpluses of some members of the Group and the CGN Group to cover the funding requirements of others in the PRC, which can reduce or remove the need for external financing. In addition, given that the interest rates offered by CGN Finance to the Group in respect of deposit services shall not be less than the highest interest rate for the same type of deposit as may be offered by major independent third party commercial banks to the Group in the PRC, entering into the Financial Services (CGN Finance) Framework Agreement will be beneficial to and in the interest of the Group. Ultimately, the primary aim is to optimize the efficient use of cash resources among the members of the Group and the CGN Group (and its affiliates) in the PRC.

The Directors (including the independent non-executive Directors) consider that the terms of the Financial Services (CGN Finance) Framework Agreement (including the amendment) are in the ordinary and usual course of business of the Group, on normal commercial terms and, together with the Financial Services Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



---

## LETTER FROM THE BOARD

---

Differences in the terms of the financial services offered by CGNPC Huasheng and CGN Finance

- (1) Save and except the following material differences, there are no material differences in the terms of the financial services offered by CGNPC Huasheng and CGN Finance:
  - (a) It is provided in the Financial Services (CGNPC Huasheng) Framework Agreement that CGNPC Huasheng shall provide the requisite services to the relevant subsidiaries of the Group which place deposits with it respectively to allow such relevant subsidiaries to choose to automatically rollover time deposits arrangements on the same terms and for the same duration without further instructions and authorization, unless and until CGNPC Huasheng receives instructions to terminate such automatic rollover arrangements. However, there is no such arrangement in the Financial Services (CGN Finance) Framework Agreement.
  - (b) Under the Financial Services (CGNPC Huasheng) Framework Agreement, there is no currency requirement for the depository accounts opened and maintained with CGNPC Huasheng, while the depository accounts opened and maintained with CGN Finance under the Financial Services (CGN Finance) Framework Agreement should be in RMB.
  - (c) The provision of financial services by CGNPC Huasheng is governed by Hong Kong laws, while the provision of financial services by CGN Finance is governed by PRC laws.
  - (d) According to the Administrative Measures for Enterprise Group Financial Companies, the scope of financial services provided by CGN Finance is amended as set out in the subsection headed “Principal terms (as amended)” above.
- (2) The Group determines whether to place deposit to CGNPC Huasheng or CGN Finance based on the place of incorporation of the relevant Group company. If the relevant Group company is incorporated in the PRC, its funds will be deposited to CGN Finance. If the relevant Group company is incorporated outside of the PRC, the funds will be deposited to CGNPC Huasheng.

---

## LETTER FROM THE BOARD

---

### Historical figures

The maximum daily outstanding balance of deposits placed by the Group with CGNPC Huasheng and CGN Finance (including their respective interest received), for the two years ended 31 December 2022 and the six months ended 30 June 2023 in relation to the similar financial services arrangements entered into by the Group with CGNPC Huasheng and CGN Finance, respectively, and the transactions contemplated under the Financial Services Framework Agreements were as follows:

		For the year ended 31 December 2021 <i>(US\$ million)</i>	For the year ended 31 December 2022 <i>(US\$ million)</i>	For the six months ended 30 June 2023 <i>(US\$ million)</i>
Maximum daily outstanding balance of deposits (with interest)	CGNPC Huasheng	251	24	43
	CGN Finance	308	502	466
	<b>Total</b>	559	526	509

The existing annual caps for the maximum daily outstanding balance of deposits to be placed and the relevant interest to be received under the Financial Services Framework Agreements are US\$610 million, US\$640 million and US\$680 million for the three years ending 31 December 2023, respectively.

As the maximum daily outstanding balances of deposits with interest for each of CGNPC Huasheng and CGN Finance did not take place concurrently, the Company confirms that the maximum daily outstanding balance of deposits placed by the Group with CGNPC Huasheng and CGN Finance, together with interest received for the period set out above was within the corresponding annual caps for such relevant period and that the annual cap for the year ending 31 December 2023 is not expected to be exceeded.

As at 31 December 2021, 31 December 2022 and 30 June 2023, approximately 97%, 82% and 87% of the Group's total cash and bank balance were placed under the Financial Services Framework Agreements, respectively.

---

## LETTER FROM THE BOARD

---

### Financial Services Annual Caps

The estimated respective annual caps for the maximum daily outstanding balance of deposits to be placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest to be received, for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024</b>	<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>
	<i>(US\$ million)</i>	<i>(US\$ million)</i>	<i>(US\$ million)</i>
CGNPC Huasheng	260	80	80
CGN Finance	540	750	790

As the nature of the services to be provided to the Group under the Financial Services Framework Agreements are similar, the estimated annual caps for the maximum daily outstanding balance of deposits to be placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest to be received, for the three years ending 31 December 2026 have been aggregated and are as follows:

<b>For the year ending 31 December 2024</b>	<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>
<i>(US\$ million)</i>	<i>(US\$ million)</i>	<i>(US\$ million)</i>
800	830	870

Since the Group or the relevant subsidiaries of the Group will not be required to provide any security on the loan services provided by CGNPC Huasheng and/or CGN Finance under the Financial Services Framework Agreements provided that the amount of the loans does not exceed the maximum amount of deposits placed by such subsidiaries of the Group with CGNPC Huasheng and/or CGN Finance (as the case may be) and such loan transactions will be conducted on normal commercial terms or better, such transactions are fully exempt under Rule 14A.90 of the Listing Rules. Therefore, no annual caps are set for such loan transactions.

---

## LETTER FROM THE BOARD

---

As at the Latest Practicable Date, the Group does not have any plan to engage CGNPC Huasheng and/or CGN Finance to provide other financial services to the Group. Therefore, no annual caps are set for such other financial services transactions.

In arriving at the above Financial Services Annual Caps, the following factors have been considered:

- (1) the total amount of deposits that the Group has placed with CGNPC Huasheng and CGN Finance for the two years ended 31 December 2022 and the six months ended 30 June 2023 and the Group's expected available free cash for the three years ending 31 December 2026 by taking into account (i) the actual cash balance of the Group as at 30 June 2023 of approximately US\$340 million; (ii) the expected cash flow to be generated from operation for the next three financial years; and (iii) the projected interest income of the Group for the three years ending 31 December 2026;
- (2) the external funding to be obtained for the expected expansion of the size of the Group (eg. the establishment of new projects and/or the potential acquisitions of power projects) and to be placed under the Financial Services Framework Agreements;
- (3) the amount of deposits historically made by the Group with other independent commercial banks;
- (4) the utilization of the depository services when considered in the context of the other financial services (including the loan services and the settlement services) that are available to the Group can greatly facilitate deployment of surplus funds within the Group which can have a material impact as the business of the Group grows and its cash resources increase;
- (5) the strategies for treasury management of the Group, taking into account the business development plans and the financial needs of the Group; and
- (6) the possible favorable interest rate to be obtained by the Group from CGNPC Huasheng and CGN Finance compared with interest rate that could otherwise be obtained by placing deposits with independent commercial bank(s) or financial institution(s).

---

## LETTER FROM THE BOARD

---

### Internal control measures for transactions under the Financial Services Framework Agreements

In order to safeguard the interests of the Group, each of the Financial Services Framework Agreements provides for the following monitoring and internal controls measures:

- (1) before the Company or any of its subsidiaries enters into any fixed deposit services with CGNPC Huasheng or CGN Finance (as the case may be), the finance department of the relevant member of the Group will, based on the then funding needs and the liquidity position of the Group, determine the type and terms of the deposits. The finance department will then obtain the rates and terms offered by CGNPC Huasheng or CGN Finance (as the case may be) and at least two other independent financial institutions in Hong Kong or in the PRC for deposits of similar type for the same period. After comparing the quotes, if the finance department confirms that the rates and terms offered by CGNPC Huasheng or CGN Finance (as the case may be) (i) are no less favorable to the Group than those offered by other independent financial institutions in Hong Kong or in the PRC; and (ii) comply with the terms and conditions of the Financial Services Framework Agreements, it will submit an application to the chief financial officer of the relevant member of the Group for consideration and if appropriate, approval. Records of the quotes, the recommendations and the approval notes will be kept by the Group for sample checking by the auditor;
- (2) the Group will, during the interim period after the expiry of the fixed deposit placed with CGNPC Huasheng or CGN Finance (as the case may be) until the withdrawal of the funds, place the current deposits with CGNPC Huasheng or CGN Finance (as the case may be). The finance department of the Group will monitor the comparable market interest rates from at least two independent financial institutions in Hong Kong or in the PRC to ensure that the interest rates offered by CGNPC Huasheng or CGN Finance (as the case may be) are no less favorable to the Group, and will withdraw the current deposits from CGNPC Huasheng or CGN Finance (as the case may be) if the interest rates they offer are less favorable to the Group;

---

## LETTER FROM THE BOARD

---

- (3) each of CGNPC Huasheng and CGN Finance shall during the regular business hours on each business day provide the Company with a daily report on the status of the Group's deposits with CGNPC Huasheng and CGN Finance (as the case may be) to allow the Group to monitor and ensure that the aggregate daily deposit balance (including interests accrued thereon) with CGNPC Huasheng and CGN Finance do not exceed the Financial Services Annual Caps;
- (4) CGNPC Huasheng and CGN Finance shall set up and maintain, or procure the setting up and maintenance of, a secured and stable online system through which the relevant subsidiaries of the Group which deposit money with CGNPC Huasheng or CGN Finance (as the case may be) can view the balance of such deposits at any time on any day;
- (5) CGNPC Huasheng and CGN Finance shall, in taking the deposits from the Group, not affect the normal use of the deposits by the Group. By no later than the seventh business day of each month, the relevant subsidiaries of the Group which deposit money with CGNPC Huasheng or CGN Finance (as the case may be) will submit a report to CGNPC Huasheng or CGN Finance (as the case may be) on their funding requirements for the month to ensure that deployment by CGNPC Huasheng and CGN Finance of the funds deposited with them will not inhibit or restrict the ability of the relevant subsidiaries of the Group from utilizing their funds, and if the relevant subsidiaries of the Group inform CGNPC Huasheng or CGN Finance (as the case may be) of any fund utilization exceeding the reported funding requirement at any time, CGNPC Huasheng or CGN Finance (as the case may be) shall use its best efforts to procure that there will be sufficient funds for the relevant subsidiaries of the Group to withdraw from and shall respond within one business day to confirm whether the requested utilization amount is available for withdrawal;
- (6) CGNPC Huasheng and CGN Finance shall facilitate any annual inspection by the Group of the management of the deposits placed by the Group with CGNPC Huasheng and CGN Finance respectively, including inspection of records of fund flows, interest rates and payments provided to the Group's deposits, the balances of the Group's deposits placed, and other information and records that may be required by the Company's auditor for the purpose of reporting on the relevant continuing connected transactions;

---

## LETTER FROM THE BOARD

---

- (7) the Group will evaluate and assess the financial performance and position of CGNPC Huasheng and CGN Finance on a quarterly basis, based on its review of the management accounts of CGNPC Huasheng and CGN Finance;
- (8) each of CGNPC Huasheng and CGN Finance will provide its annual financial report and other documents and information to the Company at its request; and
- (9) in accordance with the Listing Rules, (i) the independent auditor of the Group will continue to report annually on the transactions under the Financial Services Framework Agreements to confirm, among other things, whether the transactions were entered into in accordance with the Financial Services Framework Agreements and the pricing policies of the Group; and (ii) the independent non-executive Directors will continue to report annually on whether the transactions under the Financial Services Framework Agreements are, among other things, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Information on the Parties**

#### ***The Company***

The Company 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.

#### ***CGNPC Huasheng***

CGNPC Huasheng is a wholly owned subsidiary of CGN which was incorporated in Hong Kong in January 2010 by the CGN Group for providing financial related services to members of the CGN Group outside the PRC including Hong Kong. CGNPC Huasheng is a licensed money lender in Hong Kong but not a licensed deposit-taking company or an authorized institution under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) in Hong Kong.

---

## LETTER FROM THE BOARD

---

### ***CGN Finance***

CGN Finance is a non-wholly owned subsidiary of CGN which was established in the PRC in July 1997 by the CGN Group for providing financial related services to members of the CGN Group in the PRC. As at the Latest Practicable Date, CGN Finance is owned as to approximately 66.7% by CGN, 30% by China Nuclear Power Engineering Co., Ltd.\* (中廣核工程有限公司), and 3.3% by CGN Services Group Co., Ltd.\* (中廣核服務集團有限公司), respectively. For details of its ultimate beneficial owners, please refer to paragraphs headed “China Nuclear Power Engineering Co., Ltd.” and “CGN Services Group Co., Ltd.” below. CGN Finance is a non-banking financial institution subject to the regulations of the PBOC and the China Banking and Insurance Regulatory Commission in the PRC.

### ***The CGN Group***

CGN is a state-owned enterprise established in the PRC and the controlling shareholder of the Company. The CGN Group is principally engaged in the generation and sale of power, construction, operation and management of nuclear, clean and renewable power projects. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the equity interest of CGN is held as to 90% by State-owned Assets Supervision and Administration Commission of the State Council\* (國務院國有資產監督管理委員會) and 10% by Guangdong Hengjian Investment Holding Co., Ltd.\* (廣東恒健投資控股有限公司), a Guangdong Provincial Government owned enterprise which is principally engaged in state-owned assets operation and management within the scope of authority, state-owned equity interests operation and management, entrusted management, capital operations, funds investment and management, equity interests investment and management, financial investment, finance leasing, insurance brokerage, industry research as well as investment and consultation business for conducting the abovementioned businesses.

### ***China Nuclear Power Engineering Co., Ltd.***

China Nuclear Power Engineering Co., Ltd.\* (中廣核工程有限公司) is a non-wholly owned subsidiary of CGN incorporated in the PRC and a wholly owned subsidiary of CGN Power Co., Ltd.. It is principally engaged in contracting of nuclear power and civil construction projects, and engineering construction technical services and consultation. For details of its ultimate beneficial owners, please refer to paragraph headed “CGN Power Co., Ltd.” below.

### ***CGN Services Group Co., Ltd.***

CGN Services Group Co., Ltd.\* (中廣核服務集團有限公司) is a wholly owned subsidiary of CGN incorporated in the PRC. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, it is principally engaged in property management services.



---

## LETTER FROM THE BOARD

---

### ***CGN Power Co., Ltd.***

CGN Power Co., Ltd. (中國廣核電力股份有限公司) is a non-wholly owned subsidiary of CGN. It is principally engaged in the building, operation, management of nuclear power plants, selling of electricity generated by these nuclear power plants and organising design and research and development of nuclear power plants. Its shares are listed on both the Main Board of the Stock Exchange and the Shenzhen Stock Exchange.

### **Approval by the Board**

None of the Directors has a material interest in the Financial Services Framework Agreements. As the Overlapping Directors are directors and/or senior management of certain members of the CGN Group, for good corporate governance, they have abstained from voting on the resolutions of the Board approving the Financial Services Framework Agreements and the Financial Services Annual Caps.

### **Listing Rules Implications**

As at the Latest Practicable Date, CGN is the controlling shareholder indirectly holding approximately 72.33% of the issued share capital of the Company. CGNPC Huasheng and CGN Finance are subsidiaries of CGN, and are therefore connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the renewal of the Financial Services Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the nature of the services to be provided to the Group under the Financial Services Framework Agreements are similar, the Financial Services Annual Caps for the maximum daily outstanding balance of deposits to be placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest to be received, shall be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules. Since one or more of the applicable percentage ratios in relation to the Financial Services Annual Caps exceeds 25% but is less than 100%, the transactions contemplated under the Financial Services Framework Agreements constitute major transactions and continuing connected transactions of the Company, which are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, respectively.

### **3. SPECIAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Special General Meeting is set out on pages 51 to 53 of this circular. Pursuant to the Listing Rules and the Bye-laws, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related to purely a procedural or administrative matter to be voted on by a show of hands in accordance with Rule 13.39(4) of the Listing Rules. An announcement on the poll results will be published by the Company after the Special General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

---

## LETTER FROM THE BOARD

---

In view of the interests of CGN in the transactions contemplated under the Financial Services Framework Agreements, CGN and its associates will abstain from voting in respect of the relevant resolutions to be proposed at the Special General Meeting to approve the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps. As at the Latest Practicable Date, CGN and its associates together held 3,103,384,000 Shares, representing approximately 72.33% of the total issued share capital of the Company.

A form of proxy for use at the Special General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cgnne.com](http://www.cgnne.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Special General Meeting, or any adjournment thereof if you so wish.

#### 4. RECOMMENDATIONS

Your attention is drawn to:

- (a) the letter from the Independent Board Committee set out on pages 26 and 27 of this circular which contains its recommendation to the Independent Shareholders; and
- (b) the letter from the Independent Financial Adviser set out on pages 28 to 41 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders.

The Independent Board Committee, having considered the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps, and taken into account the advice of the Independent Financial Adviser, considers that the renewal of the Financial Services Framework Agreements is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that the terms thereof, together with the Financial Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the resolutions approving the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps at the Special General Meeting.

---

## LETTER FROM THE BOARD

---

Taking into account the letter from the Independent Board Committee and all factors stated above as a whole, the Directors (excluding the Overlapping Directors) are of the view that the renewal of the Financial Services Framework Agreements is in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof, together with the Financial Services Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (excluding the Overlapping Directors) recommend the Independent Shareholders to vote in favor of the resolutions approving the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps at the Special General Meeting.

### 5. FURTHER INFORMATION

Your attention is also drawn to the financial information set out in Appendix I and the general information set out in Appendix II to this circular.

Yours faithfully,  
For and on behalf of the Board  
**CGN New Energy Holdings Co., Ltd.**  
**Li Guangming**  
*President and Executive Director*



**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)**

24 November 2023

*To the Independent Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTIONS  
AND  
CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF THE FINANCIAL SERVICES  
FRAMEWORK AGREEMENTS**

We refer to the circular of the Company dated 24 November 2023 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context requires otherwise.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps. Details of its advice, together with the principal factors that have been taken into consideration in arriving at such, are set out in its letter set out on pages 28 to 41 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 25 of the Circular, the financial information of the Group set out in Appendix I to the Circular and the general information set out in Appendix II to the Circular.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Having considered the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps, and taken into account the advice of the Independent Financial Adviser, we consider that the renewal of the Financial Services Framework Agreements is on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, together with the Financial Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the resolutions to be proposed at the Special General Meeting to approve the renewal of the Financial Services Framework Agreements and the Financial Services Annual Caps.

Yours faithfully,

**Mr. Wang Minhao**

**Mr. Yang Xiaosheng**

**Mr. Leung Chi Ching Frederick**

*Independent Board Committee*

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

*The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the continuing connected transactions as contemplated under the Financial Services Framework Agreements (including the Financial Services Annual Caps), which has been prepared for the purpose of incorporation in this circular.*

# ALTUS.

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

24 November 2023

*To the Independent Board Committee and the Independent Shareholders*

**CGN New Energy Holdings Co., Ltd**

15/F Harbour Centre  
25 Harbour Road  
Wanchai, Hong Kong

Dear Sirs,

### **MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENTS**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions as contemplated under the Financial Services Framework Agreements and the Financial Services Annual Caps. Details of the continuing connected transactions as contemplated under the Financial Services Framework Agreements and the Financial Services Annual Caps and the terms of the Financial Services Framework Agreements are set out in the “Letter from the Board” contained in the circular of the Company dated 24 November 2023 (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 the context requires otherwise.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### **The Financial Services Framework Agreements**

Reference is made to the announcement of the Company dated 8 November 2023 and the circular of the Company dated 24 November 2023 in relation to, among others, the Financial Services Framework Agreements.

In 2014, the Company entered into the Financial Services (CGNPC Huasheng) Framework Agreement and Financial Services (CGN Finance) Framework Agreement with CGNPC Huasheng and CGN Finance, respectively, which were subsequently renewed for three further terms from 30 May 2015 to 31 December 2017, from 1 January 2018 to 31 December 2020 and from 1 January 2021 to 31 December 2023.

The Company has served a notice to each of CGNPC Huasheng and CGN Finance to renew the Financial Services (CGNPC Huasheng) Framework Agreement and the Financial Services (CGN Finance) Framework Agreement respectively, upon the expiry of their respective term on 31 December 2023. Subject to the compliance of the Listing Rules by the Company, the Financial Services Framework Agreements will be renewed for another three financial years from the Renewal Date and shall continue up to and including 31 December 2026.

Pursuant to the Financial Services Framework Agreements, the Group may from time to time deposit money with CGNPC Huasheng and CGN Finance in their respective jurisdictions. The Group may also from time to time request CGNPC Huasheng to provide loan services, including the provision of loan facilities, credit lines, revolving facilities, guarantees, bill acceptance and bill discount services, and finance leasing services, as well as intra-group or external settlement, transmittance or foreign exchange services. The Group may also from time to time request CGN Finance to provide loan services, including the provision of loan facilities, credit lines, revolving facilities, non-financing letters of guarantees, bill acceptance and bill discount services as well as intra-group or external settlement, transmittance or foreign exchange services. As at the Latest Practicable Date, the Company had outstanding loan balance of US\$250 million due to CGNPC Huasheng and approximately RMB2.1 billion due to CGN Finance. In the event that the Group will require any loan or other financial services from CGNPC Huasheng or CGN Finance, under the Financial Services Framework Agreements for the three years ending 31 December 2026, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules accordingly.

As at the Latest Practicable Date, the Group does not have any plan to engage CGNPC Huasheng and/or CGN Finance to provide other financial services to the Group.

### **Listing Rules implications**

As at the Latest Practicable Date, CGN is a controlling shareholder indirectly holding approximately 72.33% of the issued share capital of the Company. CGNPC Huasheng and CGN Finance are subsidiaries of CGN, and therefore are connected persons of the Company under the Listing Rules.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

Since one or more of the applicable percentage ratios in relation to the Financial Services Annual Caps exceed 25% but is less than 100%, the transactions contemplated under the Financial Services Framework Agreements constitute major transactions and continuing connected transactions of the Company, which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, respectively.

### **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. WANG Minhao, Mr. YANG Xiaosheng and Mr. LEUNG Chi Ching Frederick, has been established to advise the Independent Shareholders as to (i) whether the terms of the renewal of the Financial Services Framework Agreements are fair and reasonable; (ii) whether the Financial Services Annual Caps are fair and reasonable; (iii) whether the transactions contemplated under the Financial Services Framework Agreements will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and no less favourable to the Group than those of independent third parties, and are in the interests of the Company and its Shareholders as a whole; and (iv) how the Independent Shareholders should vote in respect of the ordinary resolutions to be proposed at the Special General Meeting, taking into account the recommendation of the Independent Financial Adviser.

### **INDEPENDENT FINANCIAL ADVISER**

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give recommendations to the Independent Board Committee and the Independent Shareholders (i) whether the terms of the renewal of the Financial Services Framework Agreements are fair and reasonable; (ii) whether the Financial Services Annual Caps are fair and reasonable; (iii) whether the transactions contemplated under the Financial Services Framework Agreements will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and no less favourable to the Group than those of independent third parties, and are in the interests of the Company and its Shareholders as a whole; and (iv) how the Independent Shareholders should vote in respect of the ordinary resolutions to be proposed at the Special General Meeting.

We have acted as the independent financial adviser for the Company with regard to its connected transaction in relation to a variation agreement entered into between a non-wholly owned subsidiary of the Company and a connected person, details of which are set out in the announcement of the Company dated 8 November 2023.



---

## LETTER FROM ALTUS CAPITAL LIMITED

---

Save for the aforesaid transaction, we have not acted as independent financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the continuing connected transactions as contemplated under the Financial Services Framework Agreements and the Financial Services Annual Caps is at market level and not conditional upon successful passing of the resolutions to be proposed at the Special General Meeting, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder(s) or connected person(s).

### **BASIS OF OUR OPINION**

In formulating our opinion, we have reviewed, amongst others, (i) the Financial Services Framework Agreements; (ii) the renewal notices served by the Company to CGNPC Huasheng and CGN Finance respectively; (iii) the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”) and the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”); and (iv) other information contained or referred to in the Circular.

We have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular are accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us to be untrue, inaccurate or misleading.

We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Management have been reasonably made after due and careful enquiry. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

#### I. Renewal of the Financial Services Framework Agreements

##### 1. *Background information of the Group, the CGN Group and parties involved in the Financial Services Framework Agreements*

###### 1.1. *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.

###### 1.2. *The CGN Group*

CGN is a state-owned enterprise established in the PRC and a controlling shareholder of the Company. The CGN Group is principally engaged in the generation and sale of power, construction, operation and management of nuclear, clean and renewable power projects.

###### 1.3. *CGNPC Huasheng*

CGNPC Huasheng was incorporated in Hong Kong in January 2010 by the CGN Group for providing financial related services to members of the CGN Group outside the PRC including Hong Kong. CGNPC Huasheng is a licensed money lender in Hong Kong but not a licensed deposit-taking company or an authorised institution under the Banking Ordinance (Cap. 155 of the laws of Hong Kong) in Hong Kong.

###### 1.4. *CGN Finance*

CGN Finance was established in the PRC in July 1997 by the CGN Group for providing financial related services to members of the CGN Group in the PRC. CGN Finance is a non-banking financial institution subject to the regulations of the PBOC and China Banking Regulatory Commission in the PRC.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### ***2. Reasons for the renewal of the Financial Services Framework Agreements***

The arrangement contemplated under the Financial Services Framework Agreements aims to optimise the efficient use of cash resources among members of the Group and the CGN Group. The role of CGNPC Huasheng and CGN Finance is similar to a cash pooling centre which enables surplus funds from subsidiary companies within the Group and the CGN Group to be pooled together for deployment to cover the funding needs among members of the CGN Group (including the Group).

In addition, CGNPC Huasheng and CGN Finance have gained a thorough understanding on the operations and development of the Group over the past nine years during which they provided the same deposit services to the Group. We understand from the Management that CGNPC Huasheng and CGN Finance have a better and more efficient communication with the Group as compared to other commercial banks and independent financial institutions for serving the financial needs of the Group.

Given that (i) the Financial Services Framework Agreements clearly defines the operational framework with regards to the provision of financial services by CGNPC Huasheng and CGN Finance to the Group; (ii) such arrangements as contemplated under the Financial Services Framework Agreements provide an alternative channel and flexibility for the Group to manage its cash resources in addition to other independent commercial banks and financial institutions; (iii) CGNPC Huasheng and CGN Finance have established strong relationships with the Group and CGN Group through years of cooperation which enables expedient and efficient services to the Group as compared to other independent commercial banks and financial institutions; (iv) the main objectives of CGNPC Huasheng and CGN Finance are to provide financial and treasury services to member units of the CGN Group (including the Group) and they can better understand the needs of the Group as compared to other independent commercial banks and financial institutions; and (v) the Group will require financial services to conduct its daily operations irrespective of whether the service providers are independent commercial banks and financial institutions or connected parties such as CGNPC Huasheng and CGN Finance, we consider that the renewal of the Financial Services Framework Agreements is fair and reasonable, is in the interests of the Company and Shareholders as a whole and in the ordinary and usual course of business of the Company.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### **3. *Principal terms of the Financial Services Framework Agreements***

When assessing the fairness and reasonableness of the terms of the Financial Services Framework Agreements, we have considered the principal terms of the Financial Services Framework Agreements summarised below. Please refer to the paragraphs headed “Renewal of the Financial Services (CGNPC Huasheng) Framework Agreement” and “Renewal of the Financial Services (CGN Finance) Framework Agreement” in the “Letter from the Board” set out in the Circular for further details.

#### *3.1 Interest rate*

Pursuant to the Financial Services (CGNPC Huasheng) Framework Agreement and the Financial Services (CGN Finance) Framework Agreement, the Group may from time to time deposit money with CGNPC Huasheng and CGN Finance at an interest rate not less than the highest interest rate for the same type of deposit as may be offered in the respective jurisdictions by (i) major independent third party commercial banks to the Group; and (ii) CGNPC Huasheng and CGN Finance to other subsidiaries, associates or affiliated companies of CGN, respectively.

We have obtained and reviewed (i) 10 sample monthly statements of the Group’s depository accounts with CGNPC Huasheng and the relevant interest rate comparison documents during the two years ended 31 December 2022 and the six months ended 30 June 2023; and (ii) 10 deposit slips from CGN Finance and the relevant interest rate comparison documents during the two years ended 31 December 2022 and the six months ended 30 June 2023. We noted that the deposit interest rates offered by CGNPC Huasheng and CGN Finance to the Group are similar to or not less favourable than those offered by other commercial banks in the same period for the same types of deposits.

As such, we believe the abovementioned term relating to the interest rates offered by CGNPC Huasheng and CGN Finance to the Group under the deposit services as contemplated under the Financial Service Framework Agreements is on normal commercial terms, fair and reasonable, no less favourable than those offered by independent third party financial institutions and is in the interests of the Company and its Shareholders as a whole.

#### *3.2 Right to early withdraw*

We noted from the Financial Services Framework Agreements that the Group may early withdraw its fixed deposits in CGNPC Huasheng and CGN Finance, together with any interest accrued and other receivables, before the deposit maturity after a reasonable written notice is given to CGNPC Huasheng and CGN Finance.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

In the event of breach of any terms and conditions of the Financial Services Framework Agreements by CGNPC Huasheng or CGN Finance, the Company is entitled to notify CGNPC Huasheng and/or CGN Finance that all or part of the deposits placed with CGNPC Huasheng and/or CGN Finance are immediately mature and request CGNPC Huasheng and/or CGN Finance to repay such amount, together with interest and all other fees payable immediately to the Group.

In view of this, we are of the view that such term providing the Company the flexibility to withdraw its deposit from CGN Finance or CGNPC Huasheng before maturity or in the event of breach of any terms and conditions of the Financial Services Framework Agreements, is fair and reasonable, is no less favourable than those offered by independent financial institutions and is in the interests of the Company and its Shareholders as a whole.

### *3.3 Right to utilise the deposit service at the Group's discretion*

The Financial Services Framework Agreements do not prevent the Group from utilising the depository services provided by third party financial institutions or commercial banks. The Group has absolute discretion as to whether, to utilise the depository services provided by CGNPC Huasheng and CGN Finance. Since Company has the flexibility to decide whether to utilise the deposit services of CGNPC Huasheng or CGN Finance, we consider that this term is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### *3.4 Right to automatic rollover the deposit arrangements*

Terms of the Financial Services (CGNPC Huasheng) Framework Agreement and Financial Services (CGN Finance) Framework Agreement are materially the same except that CGNPC Huasheng shall provide the requisite services to the relevant subsidiary of the Group which places deposits with it respectively to allow such relevant subsidiary to choose to automatically rollover time deposits arrangements on the same terms and for the same duration without further instructions and authorisation, unless and until CGNPC Huasheng receives instructions to terminate such automatic rollover arrangements.

Such standing instruction arrangement for fixed deposits is a common market practice for independent commercial banks and financial institutions in Hong Kong and we are of the view that such term is no less favourable than terms available from other independent commercial banks or financial institutions, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### *3.5 Termination of the Financial Services Framework Agreements*

The Company, CGNPC Huasheng and CGN Finance (as the case may be) have the right to terminate the respective Financial Services Framework Agreements (as the case may be) by mutual agreement in writing among the parties with one month's advance notice.

Given that this is mutually applied to the Company and each of CGNPC Huasheng and CGN Finance, we are of the view that such term is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### *3.6 Section summary*

Given that (i) the Group will be offered with deposit rate no less favourable than those offered by independent commercial banks and financial institutions; (ii) the Group has the flexibility in withdrawing its deposits with CGNPC Huasheng and CGN Finance as long as a reasonable written notice is given; (iii) the Group has no obligation or responsibility in utilising the financial services (including the deposit services) provided by CGNPC Huasheng and CGN Finance; (iv) the Group has its sole discretion to use services from any commercial bank or financial institution other than that provided by CGNPC Huasheng and CGN Finance; and (v) the Financial Services Framework Agreements can be terminated on mutual agreement among the parties, we consider the terms mentioned above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### 4. Annual caps for the Financial Services Framework Agreements

#### 4.1. Financial Services Annual Caps

The estimated respective annual caps for the maximum daily outstanding balance of deposits to be placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest to be received, for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024 (US\$ million)</b>	<b>For the year ending 31 December 2025 (US\$ million)</b>	<b>For the year ending 31 December 2026 (US\$ million)</b>
CGNPC Huasheng	260	80	80
CGN Finance	540	750	790

As the nature of the services to be provided to the Group under the Financial Services (CGNPC Huasheng) Framework Agreement and the Financial Services (CGN Finance) Framework Agreement are similar, the estimated annual cap for the maximum outstanding balance of deposits to be placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest received, for each of the three years ending 31 December 2026 has been aggregated and is presented below:

	<b>For the year ending 31 December</b>		
	<b>2024 (US\$ million)</b>	<b>2025 (US\$ million)</b>	<b>2026 (US\$ million)</b>
	800	830	870

As set out in the “Letter from the Board”, the Management has taken into account (i) the historical amount of deposits the Group placed with CGNPC Huasheng and CGN Finance as well as other independent commercial banks; (ii) the Group’s expected available free cash flow; and (iii) the latest actual cash balance of the Group as at 30 June 2023 when arriving at the Financial Services Annual Caps.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

### 4.2. Analysis of the Financial Services Annual Caps

In assessing the reasonableness of the Financial Services Annual Caps, we have reviewed the relevant basis and assumptions prepared by the Company taking into account the Group's historical cash deposits placed with CGNPC Huasheng and CGN Finance as well as other independent commercial banks. Set out below is the maximum utilisation rates of the historical annual caps of the Company in relation to the deposits placed by the Group with CGNPC Huasheng and CGN Finance (including their respective interest received) for the two years ended 31 December 2022 and six months ended 30 June 2023.

	For the year ended 31 December		For the six months ended 30 June
	2021	2022	2023
	<i>(US\$ million)</i>	<i>(US\$ million)</i>	<i>(US\$ million)</i>
Annual cap	610	640	680
Highest monthly deposits balances placed with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements	559	526	509
Maximum utilisation rates	92%	82%	75%

As set out in the “Letter from the Board” of the Circular, approximately 97%, 82% and 87% of the Group's total cash and bank balance were placed with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements as at 31 December 2021, 31 December 2022 and 30 June 2023, respectively.

In estimating the annual cap needed for the deposit services from CGNPC Huasheng and CGN Finance, the Management took into account and we have reviewed (i) the 2023 Interim Report and 2022 Annual Report relating to the business prospect of the Group and noted that the Management will continue its focus on enhancing the operating capacity of the Group; (ii) the bank balances and cash of the Group as at 30 June 2023 as stated in the 2023 Interim Report; (iii) the budget monthly cash and cash equivalents position of the Group for the period ending March 2024 prepared by the Management; and (iv) the projected interest income to be generated from the deposits under the Financial Services Framework Agreements based on the aforesaid budget.



---

## LETTER FROM ALTUS CAPITAL LIMITED

---

Having considered (i) the high utilisation rates of historical annual caps in respect of the deposits placed by the Group with CGNPC Huasheng and CGN Finance; (ii) the strong tendency of the Group in placing deposits with CGNPC Huasheng and CGN Finance rather than other commercial banks during the two years ended 31 December 2022 and six months ended 30 June 2023; and (iii) the estimated cash inflow from the Group's business operations to determine the projected cash position of the Group and the interest income to be generated from the Financial Services Framework Agreements, we are of the view that the Financial Services Annual Caps are determined on a fair and reasonable basis.

### **5. Internal control measures**

As stated in the "Letter from the Board" of the Circular, the following monitoring and internal controls measures are in place to safeguard the interests of the Group and to ensure transactions contemplated under the Financial Services Framework Agreements are in the interests of the Company and the Shareholders as a whole.

- (i) The finance department of the Company will obtain rates and terms offered by CGNPC Huasheng or CGN Finance (as the case may be) and at least two other independent financial institutions in Hong Kong or in the PRC respectively for deposit of similar type for comparison before the Company or any of its subsidiaries enters into any fixed deposit services with CGNPC Huasheng or CGN Finance;
- (ii) approval from the chief financial officer of the relevant member of the Group is needed for the Group to enter into the fixed deposit services arrangement with CGNPC Huasheng or CGN Finance;
- (iii) the finance department of the Group will monitor the comparable market interest rates from at least two independent financial institutions to ensure that the interest rates offered by CGNPC Huasheng or CGN Finance are no less favourable to the Group;
- (iv) the relevant subsidiary of the Group which deposits money with CGNPC Huasheng or CGN Finance will submit a report to CGNPC Huasheng or CGN Finance on its funding requirements for the month by no later than the seventh business day of each month; and
- (v) the Group will evaluate and assess the financial performance and position of CGNPC Huasheng and CGN Finance on a quarterly basis.

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

For further details, please refer to the paragraph headed “Internal control measures for transactions under the Financial Services Framework Agreements” in the “Letter from the Board” of the Circular.

We have reviewed the summary of quotations obtained by the Group from other independent commercial banks or financial institutions for deposit services. We further understand from the Management that during the past nine years, the Group has not experienced any delay from withdrawals or late payment of interest income in relation to the deposit arrangements with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreement. Based on the documents provided by the Management and the abovementioned internal control measures, we noted that the Company had adhered to the internal control measures and believed such internal control measures are adequate.

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) the terms of the Financial Services Framework Agreements are fair and reasonable; (ii) the Financial Services Annual Caps are fair and reasonable; and (iii) the transactions contemplated under the Financial Services Framework Agreements will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and no less favourable to the Group than those of independent third parties, and are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions relating to the Financial Services Framework Agreements (including the Financial Services Annual Caps) to be proposed at the Special General Meeting.

Yours faithfully  
For and on behalf of  
**Altus Capital Limited**

**Jeanny Leung**  
*Responsible Officer*

**Leo Tam**  
*Responsible Officer*

---

## LETTER FROM ALTUS CAPITAL LIMITED

---

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions.*

*Mr. Leo Tam (“**Mr. Tam**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over nine years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

**1. FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for each of the three years ended 31 December 2020, 2021, 2022 and the six months ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.cgnne.com](http://www.cgnne.com)):

- (a) the annual report of the Company for the year ended 31 December 2020 published on 22 April 2021 (pages 95 to 190) in relation to the financial information of the Group for the same year;
- (b) the annual report of the Company for the year ended 31 December 2021 published on 14 April 2022 (pages 132 to 266) in relation to the financial information of the Group for the same year;
- (c) the annual report of the Company for the year ended 31 December 2022 published on 19 April 2023 (pages 128 to 266) in relation to the financial information of the Group for the same year; and
- (d) the interim report of the Company for the six months ended 30 June 2023 published on 21 September 2023 (pages 40 to 72) in relation to the financial information of the Group for the same period.

**2. INDEBTEDNESS****Bank Borrowings**

As at close of business on 30 September 2023, being the latest practicable date for the purpose of this statement of indebtedness and contingent liabilities prior to the printing of this circular, the Group had aggregate outstanding bank borrowings of approximately US\$4,298.1 million, details of which are set out below:

	<i>US\$ million</i>
Bank borrowings, secured and guaranteed	169.2
Bank borrowings, secured and unguaranteed	1,809.9
Bank borrowings, unsecured and unguaranteed	<u>2,319.0</u>
	<u><u>4,298.1</u></u>

**Loans from fellow subsidiaries and amounts due to fellow subsidiaries**

As at close of business on 30 September 2023, the Group had unsecured and unguaranteed outstanding loans from fellow subsidiaries and amounts due to fellow subsidiaries of approximately US\$1,335.5 million and US\$17.7 million respectively, and secured and unguaranteed outstanding loans from fellow subsidiaries of approximately US\$139.4 million.

**Pledged Assets**

The Group pledged certain property, plant and equipment, trade receivables, contract assets and bank deposits for credit facilities granted to the Group.

**Contingent liabilities**

There were no material contingent liabilities as at 30 September 2023.

**Lease liabilities**

As at close of business on 30 September 2023, the Group had lease liabilities of approximately US\$53.9 million.

**General**

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, guarantees or other material contingent liabilities as at close of business on 30 September 2023.

**3. WORKING CAPITAL**

The Directors are of the opinion that, taking into account the Group's available financial resources including internally generated cash flows, available facilities and cash on hand, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

#### 4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

According to the data published by the NEA, from January to June 2023, the electricity consumption of the society was 4,307.6 TWh, representing an increase of 5.0% from the same period of last year. As of the end of June 2023, the installed power generation capacity of the PRC amounted to 2,707.7 GW, representing an increase of 10.8% from the same period of last year. In particular, the accumulated installed wind power capacity reached 389.2 GW, representing an increase of 13.7% from the same period of last year, while the accumulated installed solar power capacity recorded 470.7 GW, representing an increase of 39.8% from the same period of last year.

In a white paper titled “China’s Green Development in the New Era”(《新時代的中國綠色發展》) issued by the State Council Information Office in January 2023, China applies the principle of building the new before discarding the old in a well-planned way. With growing capacity to ensure energy supply, it has moved faster to build a new energy system. The proportion of clean energy sources has increased significantly. Success has been achieved in the green and low-carbon transformation of the country’s energy mix. The white paper also emphasized that China will keep to the path of green development, continue to build an eco-civilization, and strive to realize development with a higher level of quality, efficiency, equity, sustainability and security.

Driven by the national dual carbon strategy, the Company seizes the national clean energy development opportunities and focuses on core capacity building. In addition, guided by “value creation”, the Company adheres to the innovation-driven development strategy, systematically rolls out the “integration project of advanced technology of offshore wind power” and the “leading project of digital operation and maintenance”, and strives to create differentiated competitive advantages in “Offshore+” and “Green Power+”, thereby continuously shaping new driving forces and advantages for development.

Leading project of digital operation and maintenance. Focusing on the operation and maintenance of new energy existing assets and the demand for power marketing, the Company has employed various means including big data and artificial intelligence to study key technologies and key equipment for operation and maintenance and digital power marketing, and has developed its independent core technologies for market development, power marketing, digitalization and new industries, thus comprehensively improving the efficiency of new energy existing assets and reducing operation and maintenance costs. Relying on a number of scientific research projects, the Company has made scientific research achievements with independent intellectual property rights, and has carried out promotion and application thereof, initially establishing a differentiated competitive advantage of “Green Power+”.

Integration project of advanced technology of offshore wind power. The Company has steadily promoted research and engineering demonstrations on key issues such as parity offshore wind power, floating wind and photovoltaic power and new power systems. The Company has also promoted the implementation and demonstration iteration of parity offshore wind power technology through large capacity and base-driven developments, advanced offshore wind and photovoltaic power through research and demonstration of key technologies including floating wind power, floating photovoltaic power and pile-based photovoltaic power, and pushed forward the construction of new power systems through layered and three-dimensional application of ultra long distance, low frequency division, flexible and direct transmission and marine energy, thus accelerating the transformation and integrated application of innovative achievements. As a result, a number of scientific research projects have completed research and implementation of demonstration applications, initially establishing the differentiated competitive advantage of “Offshore+” new energy, and vigorously supporting the high-quality development of the Company’s offshore wind power industry.

The Company will adhere to the “innovation-driven” development strategy, continuously open up new fields and tracks for development, spare every effort to build its innovation capability and talent pool, and spearhead the technology and industrial innovation in China, thereby becoming an influential technology innovation-oriented enterprise in an accelerated manner.

2023 is a critical year to carry forward the past and open up the future under the “14th Five-Year Plan”. The external situation becomes more challenging, and the competition for new energy resources is increasingly intense. The Company will continue to practice the work style focusing on “Stringency, Prudence, Meticulosity and Pragmatism”, scientifically capitalise on new opportunities and new challenges in the new stage, and maintain strategic focus, thereby striving to accomplish various tasks and objectives of production and operation, and accelerating the construction of a first-class enterprise with high-quality development.

### 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. 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 contained in this circular or this circular misleading.

### 2. DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As of the Latest Practicable Date, none of the Directors and/or chief executive of the Company has any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to Listing Rules.

### 3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

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 Division 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of the Company carrying rights to vote in all circumstances at general meeting of the Company:

Name	Capacity/Nature of Interest	Number of Shares	Approximate % of Shareholding
CGN <sup>Note (1)(2)</sup>	Interests in controlled corporation (long position)	3,103,384,000	72.33%
CGNPC International <sup>Note (2)</sup>	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGN Energy International <sup>Note (2)</sup>	Beneficial owner (long position)	3,101,800,000	72.29%



*Notes:*

- (1) CGN indirectly holds 100% of the total issued share capital of CGN Energy International. As informed by CGN, CGN was deemed to be interested in 3,103,384,000 Shares, in which 3,101,800,000 Shares were held directly by CGN Energy International (a controlled corporation of CGNPC International and a wholly owned subsidiary of CGN), and 1,584,000 Shares were held by other company that is controlled indirectly by CGN. There could be a difference between the shareholding of CGN in the Company as at the Latest Practicable Date and the disclosure of interest information disclosed on the website of the Stock Exchange, as the disclosure of interest information disclosed on the website of the Stock Exchange represents information disclosed by CGN pursuant to its obligation under Section 336 of the SFO only. For the avoidance of doubt and double counting, it should be noted that the shareholdings stated against CGNPC International and CGN Energy International represented the same block of Shares.
- (2) CGNPC International directly holds 87.28% of the total issued share capital of CGN Energy International, which directly holds approximately 72.29% of the issued share capital of the Company, and indirectly holds 12.72% of the issued share capital of CGN Energy International, through its wholly owned subsidiary Gold Sky Capital Limited. Accordingly, CGNPC International is deemed to have an interest in all Shares held by CGN Energy International.

**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 the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

**5. DIRECTORS' SERVICE CONTRACTS**

As of the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, other than service contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

**6. DIRECTORS' INTERESTS IN ASSETS**

As of the Latest Practicable Date, none of the Directors 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 Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

**7. DIRECTORS' INTERESTS IN CONTRACTS**

None of the Directors 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.

**8. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As of the Latest Practicable Date, 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 the Group.

**9. LITIGATION**

As of the Latest Practicable Date, no member 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 member of the Group.

**10. EXPERT AND CONSENT**

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

<b>Name</b>	<b>Qualifications</b>
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

As of the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any assets which had since 31 December 2022 (being the date which the latest published audited financial statements of the Company were made up) 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 Group. As of the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of any member of the Group, nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**11. MATERIAL CONTRACTS**

The Directors confirmed that there were no material contracts (as defined under the Listing Rules) entered into by the members of the Group within two years immediately preceding the Latest Practicable Date.

**12. GENERAL**

- (a) The company secretary of the Company is Mr. Lee Kin who holds PRC Legal Professional Qualification and is a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA), the Association of Chartered Certified Accountants (ACCA), the Hong Kong Chartered Governance Institute (HKCGI) and the Chartered Governance Institute in the United Kingdom, a member of the Chartered Institute of Management Accountants (CIMA), and a Chartered Financial Analyst (CFA), respectively.
- (b) The address of the principal share registrar, MUFG Fund Services (Bermuda) Limited, and transfer office of the Company in Bermuda is at 4th Floor, North, Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.
- (c) The address of the Hong Kong branch share registrar, Tricor Investor Services Limited, and transfer office of the Company in Hong Kong is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

**13. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cgnne.com](http://www.cgnne.com)) from the date of this circular until 14 days thereafter:

- (a) the Bye-laws of the Company;
- (b) the material contracts as referred to in the paragraph headed “11. Material Contracts” in this appendix;
- (c) the Financial Services (CGNPC Huasheng) Framework Agreement, together with the notification letter for extension of the term of the agreement;
- (d) the Financial Services (CGN Finance) Framework Agreement, together with the notification letters for extension of the term of the agreement;
- (e) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in the section headed “Letter from Altus Capital Limited” of this circular;

- (g) the written consent referred to in paragraph headed “10. Expert and Consent” in this appendix;
- (h) this circular;
- (i) the annual report of the Company for the year ended 31 December 2020;
- (j) the annual report of the Company for the year ended 31 December 2021;
- (k) the annual report of the Company for the year ended 31 December 2022; and
- (l) the interim report of the Company for the six months ended 30 June 2023.

---

## NOTICE OF SPECIAL GENERAL MEETING

---



### 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)

### NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Special General Meeting**”) of CGN New Energy Holdings Co., Ltd. (the “**Company**”) will be held at Basement 2 The Boardroom, Wharney Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 28 December 2023 at 10:00 a.m. (Hong Kong time) (or any adjournment thereof) for the following purposes:

#### ORDINARY RESOLUTIONS

1. “**THAT**, conditional upon the passing of the resolution set out in item 3 of this Notice,
  - (a) the renewal of the Financial Services (CGNPC Huasheng) Framework Agreement (as defined and described in the circular of the Company dated 24 November 2023 (the “**Circular**”), a copy of the Circular marked “A” together with a copy of the Financial Services (CGNPC Huasheng) Framework Agreement marked “B” are tabled before the Special General Meeting and initialed by the chairman of the Special General Meeting for identification purpose) and transactions contemplated thereunder and the implementation thereof be and are hereby approved, ratified and confirmed;
  - (b) any one director of the Company (or any two directors of the Company or any one director and the company secretary of the Company if the affixation of the common seal is necessary), be and is/are hereby authorized for and on behalf of the Company to execute all such other documents and agreements and do all such acts and things as he or they may in his or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the renewal of the Financial Services (CGNPC Huasheng) Framework Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary or incidental thereto.”

---

## NOTICE OF SPECIAL GENERAL MEETING

---

2. “**THAT**, conditional upon the passing of the resolution set out in item 3 of this Notice,
- (a) the renewal of the Financial Services (CGN Finance) Framework Agreement (as defined and described in the Circular, a copy of the Financial Services (CGN Finance) Framework Agreement marked “C” is tabled before the Special General Meeting and initialed by the chairman of the Special General Meeting for identification purpose) and transactions contemplated thereunder and the implementation thereof be and are hereby approved, ratified and confirmed;
  - (b) any one director of the Company (or any two directors of the Company or any one director and the company secretary of the Company if the affixation of the common seal is necessary), be and is/are hereby authorized for and on behalf of the Company to execute all such other documents and agreements and do all such acts and things as he or they may in his or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the renewal of the Financial Services (CGN Finance) Framework Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary or incidental thereto.”
3. “**THAT** conditional upon the passing of resolutions set out in items 1 to 2 of this Notice, the Financial Services Annual Caps as defined and described in the Circular in respect of the renewed Financial Services (CGNPC Huasheng) Framework Agreement and the renewed Financial Services (CGN Finance) Framework Agreement, for each of the three years ending 31 December 2026 be and are hereby approved.”

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

Hong Kong, 24 November 2023

*Notes:*

1. All resolutions at the Special General 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 “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

---

## NOTICE OF SPECIAL GENERAL MEETING

---

2. Any member of the Company entitled to attend and vote at the Special General Meeting or at any adjournment thereof is entitled to appoint another person as his proxy (or more than one proxy if he is the holder of two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any share, any one of such persons may vote at the Special General Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Special General Meeting in person or by proxy, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding. Several executors or administrators of a deceased shareholder of any share will for this purpose be deemed joint holders thereof.
5. In order to determine the entitlement to attend the Special General Meeting, the register of members of the Company will be closed from Thursday, 21 December 2023 to Thursday, 28 December 2023 (both days inclusive), during which period no transfer of shares can be registered. In order to be qualified for attending and voting at the Special General Meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on Wednesday, 20 December 2023.

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

*Executive Directors* : *Mr. Zhang Zhiwu (Chairman) and  
Mr. Li Guangming (President)*

*Non-executive Directors* : *Mr. Wang Hongxin and  
Mr. Chen Xinguo*

*Independent Non-executive Directors* : *Mr. Wang Minhao,  
Mr. Yang Xiaosheng and  
Mr. Leung Chi Ching Frederick*