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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).

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CGN NEW ENERGY HOLDINGS CO., LTD.
中國廣核新能源控股有限公司
(incorporated in Bermuda with limited liability)
(Stock code: 1811)

**(1) VARIATION OF TERMS IN RELATION TO THE
VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
VARIATION AGREEMENT IN RELATION TO THE
RUDONG ENTRUSTED CONSTRUCTION MANAGEMENT CONTRACT;
AND
(2) SUPPLEMENTAL 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) was published by the Company on 24 November 2023 and a supplemental notice of the Special General Meeting is set out on pages 36 to 38 of this circular. A supplemental 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 of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.cgnne.com>).

If you are not able to attend the Special General Meeting, please complete and sign the enclosed supplemental 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 supplemental 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

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DEFINITIONS

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

“Amended Rudong Entrusted Construction Management Contract”	the Rudong Entrusted Construction Management Contract as amended by the Variation Agreement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“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 Group”	CGN and its subsidiaries, excluding the Group
“CGN Nantong”	CGN New Energy Nantong Co., Ltd.* (中廣核新能源南通有限公司), a non-wholly owned subsidiary of the Company incorporated in the PRC
“CGN Power”	CGN Power Co., Ltd.* (中國廣核電力股份有限公司), a non-wholly owned subsidiary of CGN and a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on both the Main Board of the Stock Exchange (stock code: 1816) and Shenzhen Stock Exchange
“China Nuclear Power Engineering” or “Contractor”	China Nuclear Power Engineering Co., Ltd.* (中廣核工程有限公司), a non-wholly owned subsidiary of CGN incorporated in the PRC and a wholly-owned subsidiary of CGN Power
“close associate”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“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”	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
“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
“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 Variation Agreement
“Independent Shareholders”	the Shareholders other than CGN and its associates (as defined under the Listing Rules)
“kWh”	kilowatt-hour, measuring the energy delivered by one kilowatt of power for one hour
“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

DEFINITIONS

“MW”	Megawatts
“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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Rudong Entrusted Construction Management Contract”	the contract in relation to the design, procurement and construction work and management of the Rudong Offshore 300MW Wind Farm Project entered into on 25 November 2020
“Rudong Offshore 300MW Wind Farm Project”	Rudong Offshore 300MW Wind Farm Project that is to be designed, engineered, procured, constructed, installed, tested, commissioned, completed and rectified under the Rudong Entrusted Construction Management Contract
“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

DEFINITIONS

“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 entering into and the terms of the Variation Agreement, and certain other matters set out in the notice of Special General Meeting issued by the Company dated 24 November 2023
“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
“Variation Agreement”	the variation agreement dated 8 November 2023 entered into between CGN Nantong and China Nuclear Power Engineering to amend and supplement certain terms of the Rudong Entrusted Construction Management Contract
“%”	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) VARIATION OF TERMS IN RELATION TO THE
VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
VARIATION AGREEMENT IN RELATION TO THE
RUDONG ENTRUSTED CONSTRUCTION MANAGEMENT CONTRACT;
AND
(2) SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to (a) provide you with information in respect of the resolution(s) to be proposed at the Special General Meeting for the entering into and the terms of the Variation Agreement; (b) set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders 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 supplemental notice of the Special General Meeting.

LETTER FROM THE BOARD

2. VARIATION AGREEMENT

Introduction

References are made to the announcement of the Company dated 25 November 2020 (the “**Announcement**”) and the circular of the Company dated 8 December 2020 (the “**Circular**”), in relation to, among other things, the entering into of the Rudong Entrusted Construction Management Contract between CGN Nantong and China Nuclear Power Engineering as the Contractor on 25 November 2020, pursuant to which CGN Nantong has conditionally agreed to engage China Nuclear Power Engineering and China Nuclear Power Engineering has conditionally agreed to undertake the design, procurement and construction and construction management work of the Rudong Offshore 300MW Wind Farm Project. The initial total consideration under the Rudong Entrusted Construction Management Contract is approximately RMB2.1 billion (inclusive of tax).

Reference is made to the announcement of the Company dated 8 November 2023. In view of changes in the work scope and market price necessary to complete the Rudong Offshore 300MW Wind Farm Project that leads to an increase in costs, on 8 November 2023, CGN Nantong and China Nuclear Power Engineering mutually agreed to enter into the Variation Agreement, in order to, among others, revise the total consideration under the Rudong Entrusted Construction Management Contract to approximately RMB2.4 billion (inclusive of tax).

A summary of the principal terms of the Variation Agreement is set out below:

Date	8 November 2023
Parties	(1) CGN Nantong (as employer); and (2) China Nuclear Power Engineering (as Contractor)
Revised total consideration	The initial total consideration payable to the Contractor under the Rudong Entrusted Construction Management Contract is a fixed contract price of approximately RMB2.1 billion (inclusive of tax).

It is proposed that the total consideration payable to the Contractor under the Rudong Entrusted Construction Management Contract shall be revised to a fixed contract price of approximately RMB2.4 billion (inclusive of tax) which comprises the following:

- (1) Equipment procurement fees (inclusive of tax) of approximately RMB570 million, increased by approximately RMB1 million from approximately RMB569 million;

LETTER FROM THE BOARD

- (2) Construction and installation engineering fees (inclusive of tax) of approximately RMB1,746 million, increased by approximately RMB332 million from approximately RMB1,414 million;
- (3) Survey and design fees (inclusive of tax) of approximately RMB52 million, which remains unchanged;
- (4) Other service fees (inclusive of tax) of approximately RMB31 million, increased by approximately RMB6 million from approximately RMB25 million; and
- (5) Project management fees (inclusive of tax) of approximately RMB30 million, which remains unchanged.

Pricing basis

The revised total consideration was determined by the parties after arm's length negotiation with reference to (i) changes in the work scope and market price necessary to complete the Rudong Offshore 300MW Wind Farm Project that leads to an increase in costs; (ii) the consideration that such increase in costs is not due to mismanagement by the Contractor; and (iii) most of the increase is composed of increase in construction and installation engineering fees. The increase in total consideration is in line with general commercial terms and market price of similar projects. The project management fees (inclusive of tax) remain unchanged at RMB30 million and the rate charged remains lower than the rate set out in the "Regulations and Cost Standards for Preparation of Budgetary Estimates for Offshore Wind Farm Engineering Design" (《海上風電場工程設計概算編製規定及費用標準》).

The Board considers the revised total consideration to be fair and reasonable.

Payment terms and schedule

Subject to the fulfillment of the conditions precedent of the Variation Agreement, the additional amount (other than any quality assurance fee) resulting from the increase in the total consideration shall be paid before 30 April 2024 and any quality assurance fee shall be paid in accordance with the provisions regarding quality assurance fees under the Rudong Entrusted Construction Management Contract.

LETTER FROM THE BOARD

**Conditions
precedent**

- (1) The Company shall have obtained the approval from its Independent Shareholders at the Special General Meeting in accordance with the requirements under the Listing Rules and/or in compliance with any other requirements of the Stock Exchange and/or the Listing Rules; and
- (2) CGN Power shall have complied with the requirements under the Listing Rules and/or listing rules of the Shenzhen Stock Exchange (where applicable).

Save as disclosed above, all the major terms and conditions of the Rudong Entrusted Construction Management Contract remain unchanged and in full force and effect in all respects. For details of the Rudong Entrusted Construction Management Contract, please refer to the Announcement and the Circular.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE VARIATION AGREEMENT

On 21 May 2019, the National Development and Reform Commission (“**NDRC**”) issued the “Notice on Improving the Wind Power On-grid Tariff Policy” (《關於完善風電上網電價政策的通知》) (the “**Notice**”). According to the Notice, with respect to any offshore wind power project approved by governmental authorities in 2018, such offshore wind power project will be able to enjoy the on-grid tariff determined at the time of approval only if all of its electricity generation units are connected to the grid by 31 December 2021, otherwise a lower guidance price for the year of on-grid connection will be implemented.

As the Rudong Offshore 300MW Wind Power Project was one of such offshore wind power projects approved in 2018, its full capacity grid connection was required to be completed by 31 December 2021 otherwise the Group would not be able to enjoy a higher on-grid tariff determined at the time of approval, which is RMB0.85 per kWh. As disclosed in the Company’s annual result announcement for the year 2021 dated 22 March 2022 and annual report for the year 2021 published on 14 April 2022, the Rudong Offshore 300MW Wind Power Project has been connected to the grid in full capacity as planned in 2021. As such, the higher on-grid tariff has been secured.

LETTER FROM THE BOARD

Due to a deadline driven “rush-to-install-tide”(搶裝潮), the overall construction scale of offshore wind power projects in China increased significantly in 2021, leading to significant shortages of the resources (such as equipment, storage facilities and staff) necessary for construction and substantial increases in their market prices. According to the information released by the Wind Energy Committee of China Renewable Energy Association (中國可再生能源學會風能專業委員會), in the first three quarters of 2021, China saw an approximately 227% increase in offshore wind power installations with grid connection in terms of the power generation capacity as compared with the same period in 2020. The pandemic also contributed to such shortages and price increases. While the Group and the Contractor had initially been aware of the possibility of such “rush-to-install-tide”, the severity of the shortages and the magnitude of the price increases in construction resources were unprecedented and unforeseeable.

Such shortages and market price increases in construction resources have in turn contributed to the increases in construction and installation engineering fees and other service fees. Further, in order to secure the planned full capacity grid connection in 2021, the Contractor has taken necessary measures, including securing additional storage facilities, construction equipment, construction and transportation vessels, which have resulted in the changes in the scope of the construction and installation engineering work and other service and hence also contributed to the increases in construction and installation engineering fees and other service fees. Such market price increases and changes in work scope resulted in the increases in (a) the construction and installation engineering fees from approximately RMB1,414 million to approximately RMB1,746 million and (b) the other service fees from approximately RMB25 million to approximately RMB31 million.

Also, the equipment procurement fees increased by RMB1 million due to a governmental authority’s additional request to add anti-corrosion coatings with absorbing properties which resulted in the changes in the work scope for the equipment procurement service and an increase in the fee.

As the Rudong Offshore 300MW Wind Power Project has been connected to the grid in full capacity in 2021 as planned, the initial total consideration under the Rudong Entrusted Construction Management Contract has been paid according to its original payment schedule with certain quality assurance fees reserved for the relevant warranty period. Subject to the fulfillment of the conditions precedent of the Variation Agreement, the additional amount (other than any quality assurance fee) resulting from the increase in the total consideration shall be paid before 30 April 2024 and any quality assurance fee shall be paid in accordance with the provisions regarding quality assurance fees under the Rudong Entrusted Construction Management Contract.

LETTER FROM THE BOARD

The revised total consideration was determined by the parties after arm's length negotiation with reference to (i) changes in the work scope and market price necessary to complete the Rudong Offshore 300MW Wind Farm Project that leads to an increase in costs; (ii) the consideration that such increase in costs is not due to mismanagement by the Contractor; and (iii) most of the increase is composed of increase in construction and installation engineering fees. The increase in total consideration is in line with general commercial terms and market price of similar projects. The project management fees (inclusive of tax) remain unchanged at RMB30 million and the rate charged remains lower than the rate set out in the "Regulations and Cost Standards for Preparation of Budgetary Estimates for Offshore Wind Farm Engineering Design" (《海上風電場工程設計概算編製規定及費用標準》).

Taking into consideration of the circumstances leading to the increase in total consideration, including, among others, the severity of the shortages and the magnitude of the price increases in construction resources, and the fact that the Contractor were able to ensure the planned full capacity grid connection in 2021 so that the Group is able to enjoy the higher on-grid tariff, the Board considers that (i) such increase in costs is not due to the mismanagement by the Contractor and (ii) the revised total consideration to be fair and reasonable and in the interest of the Company and its shareholders as a whole.

For the reasons for and benefits of entering into of the Rudong Entrusted Construction Management Contract, please refer to the Announcement and the Circular for details.

For the reasons for selecting China Nuclear Power Engineering as the Contractor for the Rudong Entrusted Construction Management Contract and the reasons and benefits of using CGN Nantong, a non-wholly owned subsidiary of the Company to enter into the Rudong Entrusted Construction Management Contract, please refer to the Circular for details.

FINANCIAL EFFECTS OF THE VARIATION AGREEMENT

As a result of entering into the Variation Agreement, the property, plant and equipment of the Group will be increased additionally by approximately RMB0.3 billion and the liabilities of the Group will be increased additionally by approximately RMB0.2 billion. The overall effects of entering into the Variation Agreement on the future earnings of the Group will depend on the return to be generated from the operation of the Rudong Offshore 300MW Wind Farm Project.

Recommendation

The Directors (including the independent non-executive Directors) consider that the terms of Variation Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

The Group

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

CGN Nantong

CGN Nantong is a non-wholly owned subsidiary of the Company incorporated in the PRC. As at the Latest Practicable Date, CGN Nantong is owned as to 60% by CGN New Energy Investment (Shenzhen) Company Limited* (中廣核新能源投資(深圳)有限公司), 20% by Jiangsu Guoke New Energy Company Limited* (江蘇國科新能源有限公司), 10% by Jiangsu Dongdian New Energy Technology Engineering Company Limited* (江蘇東電新能源科技工程有限公司), 5% by Haiheng Rudong Offshore Wind Power Company Limited* (海恒如東海上風力發電有限公司) and 5% by Zhongtian Technology Group Marine Engineering Company Limited* (中天科技集團海洋工程有限公司), respectively. It is principally engaged in the development, construction, operation and maintenance of projects for generation of wind power and photovoltaic power projects, as well as the technical consultation and services for wind power and photovoltaic power projects.

China Nuclear Power Engineering

China Nuclear Power Engineering is a non-wholly owned subsidiary of CGN and a wholly owned subsidiary of CGN Power incorporated in the PRC. 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” below of this circular.

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.

LETTER FROM THE BOARD

CGN Power

CGN Power 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 Variation Agreement. As the Overlapping Directors are directors and/or senior management of certain members of the CGN Group, for the sake of good corporate governance, they have abstained from voting on the resolutions of the Board approving the Variation Agreement.

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. China Nuclear Power Engineering is a non-wholly owned subsidiary of CGN and is therefore a connected person of the Company under the Listing Rules.

The entering into of the Variation Agreement constitutes a material variation to the terms of the very substantial acquisition and connected transaction previously approved by the Independent Shareholders of the Company at the special general meeting held 23 December 2020. As such, the Company is required to re-comply with all applicable provisions under the Listing Rules, including the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, respectively.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Amended Rudong Entrusted Construction Management Contract exceeds 25% but is less than 100%, the Amended Rudong Entrusted Construction Management Contract constitutes a major transaction and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, respectively.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to consider the entering into and the terms of the Variation Agreement, and to advise the Independent Shareholders as to whether the Variation Agreement is in the interests of the Company and the Shareholders as a whole.

INDEPENDENT FINANCIAL ADVISER

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Variation Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

3. SPECIAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the Special General Meeting was published by the Company on 24 November 2023 (the “**Original Special General Meeting Notice**”) and a supplemental notice of Special General Meeting is set out on pages 36 to 38 of this circular (the “**Supplemental Special General Meeting Notice**”). The Special General Meeting will be convened and held for the Shareholders to consider and, if thought fit, to approve the resolutions contained in the Original Special General Meeting Notice and, the resolution(s) contained in the Supplemental Special General Meeting Notice. 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 the note to 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.

In view of the interests of CGN in the transactions contemplated under the Variation Agreement, CGN and its associates will abstain from voting in respect of the relevant resolution(s) to be proposed at the Special General Meeting to approve the entering into and the terms of the Variation Agreement. 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 supplemental form of proxy for use at the Special General Meeting is enclosed with this circular (the “**Supplemental Form of Proxy**”) and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cgnne.com>). To be valid, the form of proxy published on 24 November 2023 in relation to the Special General Meeting (the “**Original Form of Proxy**”) and/or the Supplemental 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 Original Form of Proxy and/or the Supplemental Form of Proxy will not preclude you from attending and voting at the Special General Meeting, or any adjournment thereof if you so wish.

For particulars of other resolutions proposed at the Special General Meeting, closure of the register of members of the Company, appointment of proxy and other relevant matters, please refer to the Original Special General Meeting Notice and the circular dated 24 November 2023.

LETTER FROM THE BOARD

Important Notice: The Supplemental Form of Proxy will not affect the validity of the Original Form of Proxy in respect of the resolutions set out in the Original Special General Meeting Notice. If you have already validly appointed a proxy to act for you at the Special General Meeting under the Original Form of Proxy but have not completed and returned the Supplemental Form of Proxy for the Special General Meeting, your proxy will have the right to vote at his/her discretion with respect to the supplemental resolution(s) set out in the Supplemental Special General Meeting Notice. If you do not duly complete and deliver the Original Form of Proxy but have duly completed and delivered the Supplemental Form of Proxy and thereunder validly appointed a proxy to attend and act for you at the Special General Meeting, your proxy will be entitled to vote at his/her discretion on resolutions set out in the Original Form of Proxy. If you wish to have your proxy or proxies to vote for you at the Special General Meeting on all the resolutions proposed in accordance with your choice, you must complete and return both the Original Form of Proxy and the Supplemental Form of Proxy in accordance with the instructions printed thereon and as set out in the circular dated 24 November 2023 and this circular, respectively.

4. RECOMMENDATIONS

Your attention is drawn to:

- (a) the letter from the Independent Board Committee set out on pages 16 to 17 of this circular which contains its recommendation to the Independent Shareholders; and
- (b) the letter from the Independent Financial Adviser set out on pages 18 to 26 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders.

The Independent Board Committee, having considered the terms of the Variation Agreement, and taken into account the advice of the Independent Financial Adviser, considers that the Variation Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that the terms thereof 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 resolution(s) approving the entering into and the terms of the Variation Agreement at the Special General Meeting.

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 Variation Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms thereof, 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 resolution(s) approving the entering into and the terms of the Variation Agreement at the Special General Meeting.

LETTER FROM THE BOARD

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,

**VARIATION OF TERMS IN RELATION TO THE
VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION**

**VARIATION AGREEMENT IN RELATION TO THE
RUDONG ENTRUSTED CONSTRUCTION MANAGEMENT CONTRACT**

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 entering into and the terms of the Variation Agreement, 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 entering into and the terms of the Variation Agreement. 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 18 to 26 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 15 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 terms of the Variation Agreement, and taken into account the advice of the Independent Financial Adviser, we consider that the Variation Agreement is on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, 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 resolution(s) to be proposed at the Special General Meeting to approve the entering into and the terms of the Variation Agreement.

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 Variation Agreement, 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,

**VARIATION OF TERMS IN RELATION TO THE
VERY SUBSTANTIAL ACQUISITION
AND
CONNECTED TRANSACTION
VARIATION AGREEMENT IN RELATION TO THE
RUDONG ENTRUSTED CONSTRUCTION MANAGEMENT CONTRACT**

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 Variation Agreement (the “**Transaction**”). Details of the Transaction is 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

References are made to the announcement of the Company dated 25 November 2020 and the circular of the Company dated 8 December 2020, in relation to, among other things, the entering into of the Rudong Entrusted Construction Management Contract between CGN Nantong and China Nuclear Power Engineering as the Contractor on 25 November 2020, pursuant to which CGN Nantong has conditionally agreed to engage China Nuclear Power Engineering and China Nuclear Power Engineering has conditionally agreed to undertake the design, procurement and construction and construction management work of the Rudong Offshore 300MW Wind Farm Project. The initial total consideration under the Rudong Entrusted Construction Management Contract is approximately RMB2.1 billion (inclusive of tax).

Reference is made to the announcement of the Company dated 8 November 2023, in view of changes in the work scope and market price necessary to complete the Rudong Offshore 300MW Wind Farm Project that leads to an increase in costs, on 8 November 2023, CGN Nantong and China Nuclear Power Engineering mutually agreed to enter into the Variation Agreement, in order to, among others, revise the total consideration under the Rudong Entrusted Construction Management Contract to approximately RMB2.4 billion (inclusive of tax).

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. China Nuclear Power Engineering is a non-wholly-owned subsidiary of CGN and is therefore a connected person of the Company under the Listing Rules.

The entering into of the Variation Agreement constitutes a material variation to the terms of the very substantial acquisition and connected transaction previously approved by the then independent shareholders of the Company at the special general meeting held on 23 December 2020. As such, the Company is required to re-comply with all applicable provisions under the Listing Rules, including the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, respectively.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Amended Rudong Entrusted Construction Management Contract exceeds 25% but is less than 100%, the Amended Rudong Entrusted Construction Management Contract constitutes a major transaction and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules, respectively.

LETTER FROM ALTUS CAPITAL LIMITED

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 Variation Agreement are fair and reasonable; (ii) whether the transactions contemplated under the Variation Agreement will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and are in the interests of the Company and Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the ordinary resolution(s) 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 Variation Agreement are fair and reasonable; (ii) whether the transactions contemplated under the Variation Agreement will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and are in the interests of the Company and Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the ordinary resolution(s) to be proposed at the Special General Meeting.

We have acted as the independent financial adviser for the Company with regard to its renewal of continuing connected transactions, details of which are set out in the announcement of the Company dated 8 November 2023. Saved 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 transactions contemplated under the Entrusted Construction Management Contracts is at market level and not conditional upon successful passing of the resolution(s) 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 Variation Agreement and the Rudong Entrusted Construction Management Contract; (ii) the annual report of the Company for the year ended 31 December 2022 (“**2022 Annual Report**”); and (iii) other information contained or referred to in the Circular.

LETTER FROM ALTUS CAPITAL LIMITED

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, the management of the Company (the “**Management**”) and the management of the Contractor. 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 and the management of the Contractor 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

- 1. Background information of the Company, the CGN and parties involved in the Variation Agreement**

- 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.

LETTER FROM ALTUS CAPITAL LIMITED

1.2. CGN

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.

1.3. CGN Nantong

CGN Nantong is a non-wholly-owned subsidiary of the Company incorporated in the PRC. It is principally engaged in the development, construction, operation and maintenance of projects for generation of wind power and photovoltaic power projects, as well as the technical consultation and services for wind power and photovoltaic power projects.

1.4 China Nuclear Power Engineering

China Nuclear Power Engineering is a non-wholly owned subsidiary of CGN and a wholly-owned subsidiary of CGN Power incorporated in the PRC. It is principally engaged in contracting of nuclear power and civil construction projects, and engineering construction technical services and consultation.

1.5 CGN Power

CGN Power 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.

2. Reasons for entering into the Variation Agreement

The Group had been promoting offshore wind power business in recent years, as evidenced by the Group's growth in revenue generated from PRC wind projects from approximately US\$265.9 million in the year ended 31 December 2020 to approximately US\$569.2 million and US\$692.8 million in the year ended 31 December 2021 and 2022 respectively. The purpose of entering into of the Variation Agreement is to revise the total consideration under the Rudong Entrusted Construction Management Contract arising from the "rush-to-install-tide"(搶裝潮) as detailed in the section headed "Reasons for and benefits of entering into of the Variation Agreement" under the "Letter from the Board".

LETTER FROM ALTUS CAPITAL LIMITED

The revised total consideration was determined by the parties after arm's length negotiation with reference to (i) changes in the work scope and market price necessary to complete the Rudong Offshore 300MW Wind Farm Project that leads to an increase in costs; (ii) the consideration of that such increase in costs is not due to mismanagement by the Contractor; and (iii) most of the increase is composed of increase in construction and installation engineering fees.

The change in work scope is for the completion of the design, procurement and construction work and management of the Rudong Offshore 300MW Wind Farm Project. The increase in total consideration as a result of the change in work scope is in line with general commercial terms and market price of similar projects.

The Rudong Offshore 300MW Wind Farm Project has been connected to the grid in full capacity in 2021 as planned, the initial total consideration has been settled. Subject to the fulfillment of the conditions precedent of the Variation Agreement, the additional amount (other than any quality assurance fee) resulting from the increase in the total consideration shall be paid before 30 April 2024 and any quality assurance fee shall be paid in accordance with the provisions regarding quality assurance fees under the Rudong Entrusted Construction Management Contract.

Having obtained and reviewed the supporting documents as detailed in the sub-section headed "3. Principal terms of the Variation Agreement" below and taking into account the above, we are of the view that the entering into the Variation Agreement are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Variation Agreement

A summary of the principal terms of the Variation Agreement is set out below:

3.1 Date and parties

Date: 8 November 2023

Parties: (1) CGN Nantong (as employer); and
(2) China Nuclear Power Engineering (as Contractor)

LETTER FROM ALTUS CAPITAL LIMITED

3.2 Revised total consideration and pricing basis

It is proposed that the total consideration payable to the Contractor under the Rudong Entrusted Construction Management Contract shall be revised to a fixed contract price of approximately RMB2.4 billion (inclusive of tax) which comprises the followings:

	Initial consideration	Revised consideration	Additional amount
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Equipment procurement fees (inclusive of tax)	569	570	1
Construction and installation engineering fees (inclusive of tax)	1,414	1,746	332
Survey and design fees (inclusive of tax)	52	52	N/A
Other service fees (inclusive of tax)	25	31	6
Project management fees (inclusive of tax)	<u>30</u>	<u>30</u>	<u>N/A</u>
Total	<u>2,090</u>	<u>2,429</u>	<u>339</u>

We noted that the revised total consideration of approximately RMB2.4 billion comprises additional amount (the “**Additional Amount**”) from (i) equipment procurement fees; (ii) construction and installation engineering fees; and (iii) other services fees. There was no change in survey and design fees or project management fees.

The revised total consideration was determined by the parties after arm’s length negotiation with reference to (i) changes in the work scope and market price necessary to complete the Rudong Offshore 300 MW Wind Farm Project that leads to an increase in costs; (ii) the consideration that such increase in costs is not due to mismanagement by the Contractor; and (iii) most of the increase is composed of increase in construction and installation engineering fees. The increase in total consideration is in line with general commercial terms and market price of similar projects. The project management fees (inclusive of tax) remain unchanged at RMB30 million and the rate charged remains lower than the rate set out in the “Regulations and Cost Standards for the Preparation of Budgetary Estimates for Offshore Wind Farm Engineering Design”(《海上風電場工程設計概算編製規定及費用標準》).

LETTER FROM ALTUS CAPITAL LIMITED

To access the fairness and reasonableness of the Additional Amount and whether and how the Additional Amount is not due to mismanagement by the Contractor, we have conducted the following work:

- (i) Enquired the Management on the reasons for the Additional Amount and noted that the Additional Amount was due to change in work scope, which is necessary to complete the Rudong Offshore 300MW Wind Farm Project.
- (ii) For each of items comprising the Additional Amount, obtained and reviewed (i) meeting notes among subsidiary of the Group, CGN Power Engineering and its downstream subcontractors relating to the reasons for the potential change in work scope and fees and the details of measures taken by the Contractor including securing additional storage facilities, construction equipment, construction and transportation vessels; (ii) correspondences between subsidiary of the Group and CGN Power Engineering relating to the confirmation of change of work scope and fees; (iii) the letter of variation order issued by CGN Power Engineering relating to the change of work scope and fees to its downstream subcontractors; and (iv) the letter of on-site confirmation of change of work scope signed by representatives of the Group, CGN Power Engineering and project supervision institute. We have discussed with the Management and understand that a governmental authority had requested for additional anti-corrosion coatings with absorbing properties which resulted in the change in work scope for the equipment procurement service and additional fees.

Taking into account the above independent work done and the fact that the project management fee payable to the Contractor remained unchanged, we are of the view that (i) the increase in costs is not due to mismanagement by the Contractor; and (ii) the revised total consideration has been arrived at with proper basis and is therefore fair and reasonable.

3.3 Section summary

Taking into account that (i) the principal term of the Variation Agreement is the revision of total consideration; (ii) the Additional Amount leading to the revised total consideration has been arrived at with proper basis; and (iii) saved for the terms of the Variation Agreement, other terms of the Rudong Entrusted Constriction Management Contract remain unchanged and are therefore continued to be fair and reasonable as analysed in our opinion contained in the circular of the Company dated 8 December 2020, we are of the view that the terms of the Variation Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM ALTUS CAPITAL LIMITED

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) the terms of the Variation Agreement are fair and reasonable; (ii) the transactions contemplated under the Variation Agreement will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and are in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) relating to the Transaction 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

*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) and of the Company (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 ^{Note (1)(2)}	Interests in controlled corporation (long position)	3,103,384,000	72.33%
CGNPC International ^{Note (2)}	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGN Energy International ^{Note (2)}	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:

Name	Qualifications
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 Company (www.cgnne.com) and the Stock Exchange (www.hkexnews.hk) 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 Rudong Entrusted Construction Management Contract;
- (d) the Variation 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.

SUPPLEMENTAL 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)

SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING

References are made to the notice of the special general meeting (the “**Special General Meeting**”) of CGN New Energy Holdings Co., Ltd. (the “**Company**”) dated 24 November 2023 (the “**Original Special General Meeting Notice**”), which sets out the time and venue of the Special General Meeting and contains the resolutions to be tabled before the Special General Meeting for shareholders’ approval, the circular dated 24 November 2023, as well as the circular of the Company dated 24 November 2023, which contains the details of the following resolution(s).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that a Special General Meeting of 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) (the “**Special General Meeting**”) for the following purposes:

ORDINARY RESOLUTION(S)

4. “**THAT**, to consider and, if thought fit, approve,
 - (a) the entering into of the variation agreement on 8 November 2023 to amend the terms of the Rudong Entrusted Construction Management Contract dated 25 November 2020, entered into between CGN New Energy Nantong Co., Ltd.* (中廣核新能源南通有限公司) and China Nuclear Power Engineering Co., Ltd.* (中廣核工程有限公司)(the “**Variation Agreement**”), and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, ratified and confirmed;

SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING

- (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 Variation Agreement and the transactions contemplated thereunder and all matters ancillary or incidental thereto.”

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

Hong Kong, 24 November 2023

* *for identification purpose only*

Notes:

1. Please refer to the Original Special General Meeting Notice for details of the other resolutions proposed at the Special General Meeting.
2. 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 on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
3. As the form of proxy published by the Company on the website of the Stock Exchange and the Company’s website on 24 November 2023 (the “**Original Form of Proxy**”) sent together with the Original Special General Meeting Notice did not contain the additional ordinary resolution(s) set out in this supplemental notice, a supplemental form of proxy (the “**Supplemental Form of Proxy**”) has been uploaded on the website of the Stock Exchange and the Company’s website on 24 November 2023 and will be despatched to the shareholders of the Company together with this supplemental notice.
4. 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.

SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING

5. In order to be valid, the Supplemental 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 Original Form of Proxy and/or the Supplemental 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.
6. 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.
7. 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 Supplemental 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*