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CGN NEW ENERGY HOLDINGS CO., LTD.

中國廣核新能源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1811)

Discloseable Transaction Engineering, Procurement and Construction (EPC) Contract

THE EPC CONTRACT

On 8 March 2024 (after trading hours), CGN New Energy Yancheng, a wholly owned subsidiary of the Company, as Employer, entered into the EPC Contract with China Energy Engineering Jiangsu Design Institute, as Contractor, pursuant to which CGN New Energy Yancheng agreed to engage China Energy Engineering Jiangsu Design Institute to carry out the Construction Work. The Contract Price payable by CGN New Energy Yancheng under the EPC Contract is approximately RMB1,185.5 million (inclusive of tax).

LISTING RULES IMPLICATIONS

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

THE EPC CONTRACT

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

Date	8 March 2024
Parties	(1) CGN New Energy Yancheng (as Employer) (2) China Energy Engineering Jiangsu Design Institute (as Contractor)

Subject matter

The Contractor shall be appointed as the contractor to carry out the Construction Work.

The scope of the Construction Work includes the design, engineering, procurement, construction and construction management of the Project.

The Project will have a construction capacity of 242MW.

Contract price

The Contract Price payable by the Employer to the Contractor under the EPC Contract shall amount to approximately RMB1,185.5 million (inclusive of tax), which comprises the following:

- (1) Survey and design fees (inclusive of tax) of approximately RMB6.3 million;
- (2) Equipment procurement fees (inclusive of tax) of approximately RMB637.1 million. Such amount comprises:
 - (a) conventional equipment fees (inclusive of tax) of approximately RMB142.4 million;
 - (b) photovoltaic module equipment fees (inclusive of tax) of approximately RMB316.1 million;
 - (c) photovoltaic bracket equipment fees (inclusive of tax) of approximately RMB98.9 million;
 - (d) inverter equipment fees (inclusive of tax) of approximately RMB31.5 million; and
 - (e) energy storage equipment fees (inclusive of tax) of approximately RMB48.3 million;
- (3) Construction and installation engineering fees (inclusive of tax) of approximately RMB 350.1 million;

- (4) Other fees (inclusive of tax) of approximately RMB 77.7 million. Such amount comprises:
 - (a) Crab pond management fees (inclusive of tax) of approximately RMB69.7 million; and
 - (b) Other fees (other than crab pond management fees) (inclusive of tax) of approximately RMB8.0 million; and
- (5) Other service fees (inclusive of tax) of approximately RMB114.3 million. Such amount comprises:
 - (a) Land coordination fees (inclusive of tax) of approximately RMB28.6 million; and
 - (b) Young crops and breeding input compensation fees (inclusive of tax) of approximately RMB85.7 million.

Expected construction commencement and completion date

- (1) Expected construction commencement date: the specific date of commencement is subject to the order of commencement issued by supervising engineer.
- (2) Expected completion date: 30 August 2024 for the designed power generation capacity being fully connected to grid.

Payment terms and schedule

(1) Advance payment

Subject to the Employer's receipt and acceptance of the Contractor's performance guarantee, the Employer shall pay the Contractor an advance payment of ten per cent (10%) of the aggregate of the survey and design fees and the construction and installation engineering fees, within 30 days thereafter.

(2) Progress payment

(a) *Survey and design fees:*

- (i) After completion of the final draft of the preliminary design drawings, the Employer shall pay the Contractor forty per cent (40%) of the survey and design fees;
- (ii) After the completion of all the construction drawings, the Employer shall pay the Contractor thirty per cent (30%) of the survey and design fees;
- (iii) After the completion of all the as-built drawings, the Employer shall pay the Contractor seventeen per cent (17%) of the survey and design fees; and
- (iv) After the end of quality assurance period, the Employer shall pay the Contractor three per cent (3%) of the survey and design fees.

Each amount is payable to the Contractor within 30 days after receipt and acceptance by the Employer of relevant work acceptance forms, payment applications, tax invoices, receipts and other requested documents.

(b) *Equipment procurement fees:*

- (i) Conventional equipment (other than photovoltaic module, photovoltaic bracket, inverter, and energy storage equipment): seventy per cent (70%) upon arrival of equipment, twenty-seven per cent (27%) upon preliminary acceptance and three per cent (3%) as quality assurance fee upon final acceptance, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

- (ii) Photovoltaic module equipment: ten per cent (10%) as advance fee after receiving performance guarantee, forty per cent (40%) as payment for raw materials, forty per cent (40%) upon delivery of equipment, seven per cent (7%) upon preliminary acceptance and three per cent (3%) as quality assurance fee after 180 days of the preliminary acceptance and receipt of quality assurance guarantee, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

- (iii) Photovoltaic bracket equipment: seventy per cent (70%) upon delivery of equipment, twenty-seven per cent (27%) upon preliminary acceptance and three per cent (3%) as quality assurance fee after 180 days of the preliminary acceptance and receipt of quality assurance guarantee, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

- (iv) Inverter equipment: ninety per cent (90%) upon arrival of equipment, seven per cent (7%) upon preliminary acceptance and three per cent (3%) as quality assurance fee after 180 days of the preliminary acceptance and receipt of quality assurance guarantee, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

(v) Energy storage equipment: ten per cent (10%) as advance fee after receiving performance guarantee, forty per cent (40%) as payment for raw materials, twenty per cent (20%) upon arrival of equipment, twenty-seven per cent (27%) upon preliminary acceptance and three per cent (3%) as quality assurance fee after 180 days of the preliminary acceptance and receipt of quality assurance guarantee, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

(c) ***Construction and installation engineering fees:***

(i) Progress payment: up to seventy-seven per cent (77%) of the construction and installation engineering fees of each month is payable to the Contractor within 30 days after verification by the supervising engineer on the progress payment application for such month and receipt by the Employer of the construction acceptance form issued by the supervising engineer and the corresponding tax invoices, receipts and other requested documents. When the total amount paid (including any advance payment and progress payment) reaches eighty-seven per cent (87%) of the construction and installation engineering fees, the Employer shall stop making progress payments.

(ii) Quality assurance fees: the Employer shall pay the Contractor three per cent (3%) of the construction and installation engineering fees within 14 days after the end of the quality assurance period.

(d) **Other fees:**

Other fees refer to crab pond management fees, general contracting service fees, training fees, handling fees and other management service fees.

- (i) Crab pond management fees: forty per cent (40%) upon handover of the land area of the Project (“**Project Land Area**”) by the Contractor, twenty per cent (20%) upon the completion of 50% of the pile foundation construction work within the Project Land Area, thirty per cent (30%) upon the completion of all the pile foundation construction work within the Project Land Area and ten per cent (10%) upon the designed power generation capacity being fully connected to grid.
- (ii) Other fees (other than crab pond management fees): the Employer shall pay the Contractor fifty per cent (50%) of such fees after the completion of the final settlement of the Project. The remaining portion shall be paid after fulfilling corresponding legal and compliance procedures.

The Contractor shall provide documents of proof of work progress and other requested documents to the Employer for each payment. The Employer shall pay the corresponding amount to the Contractor within 30 days after receipt and verification of the relevant documents.

(e) ***Other service fees:***

Other service fees refer to land coordination fees, young crops and breeding input compensation fees.

- (i) Land coordination fees: forty per cent (40%) upon handover of the Project Land Area by the Contractor, twenty per cent (20%) upon the completion of 50% of the pile foundation construction work within the Project Land Area, thirty per cent (30%) upon the completion of all the pile foundation construction work within the Project Land Area and ten per cent (10%) upon the designed power generation capacity being fully connected to grid.
- (ii) Young crops and breeding input compensation fees: forty per cent (40%) upon handover of the Project Land Area, twenty per cent (20%) upon the completion of 50% of the pile foundation construction work within the Project Land Area, thirty per cent (30%) upon the completion of all the pile foundation construction work within the Project Land Area and ten per cent (10%) upon the designed power generation capacity being fully connected to grid.

The Contractor shall provide documents of proof of work progress and other requested documents to the Employer for each payment. The Employer shall pay the corresponding amount to the Contractor within 30 days after receipt and verification of the relevant documents.

BASIS OF DETERMINATION OF THE CONTRACT PRICE

The Contract Price was determined through open tendering and with reference to (1) the Construction Work, (2) the various services required by the Employer in respect of the Construction Work, and (3) the prevailing market rate for carrying out the Construction Work, which the Board considers to be fair and reasonable.

The EPC Contract was entered into through the Company's standard tender process with reference to the Contractor's technical experience, professional qualifications, business reputation, financial condition, response of the Contractor during tender process, plan of construction, project management abilities, etc.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE EPC CONTRACT

The Project is located in the Jianhu County, Yancheng City, Jiangsu Province, the PRC with a land area of approximately 5,700 mu. The Project has been incorporated into Jiangsu Province's electric power indicators. Also, the Project, being the first photovoltaic project of the Group in Yancheng City, is a key sizeable standalone photovoltaic project being promoted by Yangchen City. Once completed and put into operation, the Project can relieve local power shortage, promote the developments of local economies and new energy, and serve as a good demonstration for local fishery and photovoltaic complementary projects. In addition, it is expected that the utilization hours of power generation of AC-side of the Project will be over 1,670 hours in the first year, generating an expected annual revenue of approximately RMB160.0 million (inclusive of VAT) until 2049 and bringing in both social efficiency and comprehensive economic benefits.

Based on the foregoing, the Board is of the view that entering into the EPC Contract and implementing the transactions contemplated thereunder in order to complete the Project would not only increase the installed capacity of the Group, but also facilitate the further development of the Group's business in new energy projects in Jianhu County, and are therefore in line with the Group's long-term development strategy and the interests of the Shareholders as a whole. The Directors have confirmed that the terms of the EPC Contract 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.

FINANCIAL EFFECTS OF THE EPC CONTRACT

As a result of entering into the EPC Contract, the property, plant and equipment of the Group will be increased by approximately RMB1,070.1 million and the liabilities of the Group will be increased by approximately RMB794.3 million. The overall effects of entering into the EPC Contract on the future earnings of the Group will depend on the return to be generated from the operation of the Project.

INFORMATION ON THE RELEVANT PARTIES TO THE EPC CONTRACT

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 New Energy Yancheng

CGN New Energy Yancheng is a wholly owned subsidiary of the Company incorporated in the PRC. CGN New Energy Yancheng is principally engaged in the project management and operation.

China Energy Engineering Jiangsu Design Institute

To the best knowledge, information and belief of the Directors, China Energy Engineering Jiangsu Design Institute, the Contractor under the EPC Contract, is a subsidiary of China Energy Engineering Corporation Limited* (中國能源建設股份有限公司), which is in turn a company dually listed on the Stock Exchange (stock code: 3996) and the Shanghai Stock Exchange (stock code: 601868) and principally engaged in civil engineering and construction.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, China Energy Engineering Jiangsu Design Institute and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

LISTING RULES IMPLICATIONS

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FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements which include, by way of example and without limitation, statements containing the words “anticipate”, “anticipated”, “believe”, “estimate”, “expect”, “expected”, “intend”, “goal”, “may”, “might”, “plan”, “predict”, “project”, “seek”, “target”, “potential”, “will”, “would”, “could”, “should”, “continue”, and similar expressions. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company’s control, that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company anticipates that subsequent events and developments may cause its views to change. While the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so, except as required by law.

DEFINITIONS

“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 date of this announcement
“CGN New Energy Yancheng” or “Employer”	CGN New Energy Yancheng Co., Ltd. * (中廣核新能源鹽城有限公司), a wholly owned subsidiary of the Company incorporated in the PRC
“China Energy Engineering Jiangsu Design Institute” or “Contractor”	China Energy Engineering Group Jiangsu Electric Power Design Institute Co., Ltd. * (中國能源建設集團江蘇省電力設計院有限公司), a company established in the PRC
“Company”	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)

“Contract Price”	the consideration payable by the Employer to the Contractor under the EPC Contract which is the total amount of (1) survey and design fees; (2) equipment procurement fees; (3) construction and installation engineering fees; (4) other fees; and (5) other service fees in accordance with the EPC Contract
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Construction Work”	all works performed by the Contractor and its subcontractor for the design, engineering, procurement, construction and construction management of the Project
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“EPC Contract”	the engineering, procurement and construction contract dated 8 March 2024 entered into between the Employer and the Contractor for the Construction Work
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“mu”	a unit of land area, one mu equal to approximately 666.667 square meters
“MW”	megawatt, or one million watts
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules

“PRC”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only and except when the context requires, references in this announcement to the PRC do not include Hong Kong of the PRC, the Macau Special Administrative Region of the PRC and Taiwan region of the PRC
“Project”	the phase one of the fishery and photovoltaic complementary project located in Jianhu County, Yancheng City, Jiangsu Province, the PRC and related structures and facilities to be designed, engineered, procured, constructed, installed, tested, commissioned, completed and rectified under the EPC Contract
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“Shareholders”	registered holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

* *for identification purpose only*

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

Hong Kong, 8 March 2024

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

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

Non-executive Directors : *Mr. Liu Qingming and
Mr. Zhao Xianwen*

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