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CGN Power Co., Ltd.*
中國廣核電力股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1816)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE EQUITY INTERESTS IN FOUR COMPANIES INCLUDING HUIZHOU NUCLEAR POWER (2) REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

ACQUISITION OF THE TARGET COMPANIES

On 27 August 2025, the Board announces that, the Board has considered and approved the resolution on the Share Transfer Agreement entered into between our Company (as the purchaser) and CGN (as the vendor). Pursuant to the Share Transfer Agreement, our Company has agreed to acquire and CGN has agreed to dispose of 82% of the equity interests in Huizhou Nuclear Power, 100% of the equity interests in Huizhou No. 2 Nuclear Power, 100% of the equity interests in Huizhou No. 3 Nuclear Power, and 100% of the equity interests in Zhanjiang Nuclear Power, at the total cash consideration of approximately RMB9.38 billion. Following completion of the Acquisition, the Target Companies will become subsidiaries of our Company and their financial results will be consolidated into the financial statements of our Group.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of our Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, CGN, which holds approximately 58.89% of the issued share capital of our Company, is the Controlling Shareholder of our Company. Under Rule 14A.07 of the Listing Rules, CGN is a connected person of our Company. Therefore, the Acquisition constitutes a connected transaction on the part of our Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular, independent financial advice and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Upon the approval of the Board, the Company entered into the 2025-2027 General Services Framework Agreement and the 2025-2027 Technical Support and Maintenance Services Framework Agreement with CGN on 23 October 2024. Under the circumstance that the service scope and pricing principles of the aforesaid agreements remain unchanged, the Company expects that the annual caps for the receipt of general services, technical support and maintenance services by the Group from the CGN Group, and the provision of technical support and maintenance services by the Group to the CGN Group for each of the years ending 31 December 2025, 2026 and 2027 will not be sufficient to meet its business needs.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company has to re-comply with provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios (except for the profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revised annual caps for the receipt of general services and the provision of technical support and maintenance services by the Group exceed 0.1% but are less than 5% on an annual basis, the revision of such two types of annual caps is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (except for the profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revised annual caps for the receipt of technical support and maintenance services by the Group exceed 5% but are less than 25% on an annual basis, the revision of such annual caps is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee, comprising all the Independent Non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Share Transfer Agreement and the revised annual caps for the Non-exempt Continuing Connected Transaction. Anglo Chinese Corporate Finance, Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be held for the Independent Shareholders to consider and, if thought fit, to approve by way of poll, among other matters, the Share Transfer Agreement and the revised annual caps for the Non-exempt Continuing Connected Transaction. As CGN has material interests in the Acquisition and the revision of annual caps for the Non-exempt Continuing Connected Transaction, it is required to abstain from voting at the EGM on the resolutions approving the Acquisition and the revision of annual caps for the receipt of technical support and maintenance services. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest and is required to abstain from voting on the resolutions approving the Acquisition and the revision of annual caps for the Non-exempt Continuing Connected Transaction at the EGM.

A circular, containing, among others, (i) further details of the Acquisition; (ii) further details of the Non-exempt Continuing Connected Transaction; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition and the Non-exempt Continuing Connected Transaction; (iv) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Non-exempt Continuing Connected Transaction; and (v) a notice of the EGM, will be published on or before 17 September 2025.

The transactions contemplated under this announcement are subject to the satisfaction or waiver (where applicable) of a number of conditions and, accordingly, may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

I. DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE TARGET COMPANIES

1. INTRODUCTION

Reference is made to the paragraphs headed "Corporate Governance Report – Horizontal Competition with the Controlling Shareholder" and "Directors' Report – Controlling Shareholder's Non-competition Undertakings" in the 2024 annual report of the Company in relation to the grant of acquisition option by CGN to the Company for the acquisition of certain equity interests in the nuclear power business controlled by CGN that compete or are likely to compete with the Group's business.

The Board announces that on 27 August 2025, the Board considered and approved the resolution on the Share Transfer Agreement entered into between our Company (as the purchaser) and CGN (as the vendor). Pursuant to the Share Transfer Agreement, our Company has agreed to acquire and CGN has agreed to dispose of the Share Interests, at the total cash consideration of approximately RMB9.38 billion. Following completion of the Acquisition, the Target Companies will become subsidiaries of our Company and their financial results will be consolidated into the financial statements of our Group.

2. THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are summarised as follows:

Date: 27 August 2025

Parties: (1) Our Company as purchaser

(2) CGN as vendor

Subject matter: Our Company has agreed to acquire and CGN has agreed to dispose of the Share Interests, representing (i) 82% of the entire equity interests in Huizhou Nuclear Power; (ii) 100% of the equity interests in Huizhou No. 2 Nuclear Power; (iii) 100% of the equity interests in Huizhou No. 3 Nuclear Power; and (iv) 100% of the equity interests in Zhanjiang Nuclear Power.

Consideration and payment terms: The total consideration for the sale and purchase of the Share Interests is approximately RMB9.38 billion, comprising (i) approximately RMB8.02 billion for 82% of the entire equity interests in Huizhou Nuclear Power; (ii) approximately RMB1.35 billion for 100% of the equity interests in Huizhou No. 2 Nuclear Power; (iii) RMB0 for 100% of the equity interests in Huizhou No. 3 Nuclear Power; and (iv) RMB0 for 100% of the equity interests in Zhanjiang Nuclear Power. The total consideration shall be payable by our Company to CGN in cash within five business days from the date on which all conditions precedents are fulfilled. Our Company intends to satisfy the consideration by the internal resources of our Group.

Basis of determining Consideration: The consideration was determined after arm's length negotiations between our Company and CGN with reference to the valuations of the entire equity interests in the Target Companies at the Valuation Benchmark Date as carried out by the Valuer using the asset-based approach, being (i) approximately RMB9.78 billion for Huizhou Nuclear Power; (ii) approximately RMB1.35 billion for Huizhou No. 2 Nuclear Power; (iii) RMB0 for Huizhou No. 3 Nuclear Power; and (iv) RMB0 for Zhanjiang Nuclear Power.

Conditions precedent: Completion of the Acquisition is conditional upon fulfilment of the following conditions precedent:

(a) all necessary internal approvals in respect of Acquisition (including but not limited to the approvals of the Board and the Independent Shareholders), having been obtained;

(b) CGN and its external decision-making body (if applicable), having approved the Acquisition and the Share Transfer Agreement;

(c) the valuation reports of the entire equity interests in the Target Companies having been filed;

(d) the Acquisition having been reviewed and approved by the competent state-owned assets regulatory authority or its authorised body;

(e) other shareholders of the Target Companies (if applicable) having waived their pre-emptive rights to the Share Interests; and

(f) other necessary reviews or approvals required by the laws, regulations, or regulatory authorities of the PRC.

Closing date: The last calendar day of the calendar month in which the payment of the consideration for the Acquisition is completed.

Arrangements for the transition period: The transition period refers to the period from the Valuation Benchmark Date to the closing date.

The profits and losses of the Target Companies arisen during the transition period shall be enjoyed and borne by CGN in proportion to its equity interests held in the Target Companies. After the closing date, the Company shall engage an auditing firm that meets the qualification requirements for securities services business to conduct audits for the Target Companies to confirm the profits and losses for the transition period and issue special audit reports. If the Target Companies record profits for the transition period, the Target Companies shall distribute the profits for the transition period to CGN in cash according to the proportion of equity interests held by CGN in the Target Companies before the Acquisition. If the Target Companies record losses for the transition period, CGN shall pay the Company in cash to make up the losses in proportion to the equity interests held in the Target Companies before the Acquisition.

During the transition period, if CGN increases its capital in the Target Companies through a cash capital increase, an amount equivalent to the cash increase shall be paid in one lump sum to CGN by the Company when making the consideration payment to CGN. Meanwhile, the proportion of equity interests in the Target Companies held by CGN shall not be changed during the transition period.

Undertakings of CGN: If the Company incur losses as a result of any litigation, arbitration, claim, administrative penalty and/or other matters that violate relevant laws and regulations and are not reflected in the target equity price occurred in the Target Companies due to the defects in the land, real estate and sea area of and the contracts signed by the Target Companies before the closing date, the Company shall have the right to request CGN to compensate the Company in full in cash in a timely manner after determining the actual amount of losses caused by such matters in accordance with the law, but such compensation is limited to the foregoing losses incurred within 5 years after the closing date of the Acquisition.

3. INFORMATION ON THE TARGET COMPANIES

Huizhou Nuclear Power

Huizhou Nuclear Power is a company established in the PRC and principally engaged in the investment, development, construction, and operation of nuclear power plants. Immediately prior to the completion of the Acquisition, it was owned as to 82% by CGN and 18% by China Datang Nuclear Power Investment Co., Ltd. (中國大唐集團核電投資有限公司), a company established in the PRC and a Third Party.

Huizhou Nuclear Power owns Huizhou Project Phase I and is responsible for the construction and operation of such project. It is expected that the two nuclear power generating units will commence commercial operation in 2025 and 2026, respectively.

The financial information of Huizhou Nuclear Power is as follows:

	For the year ended 31 December 2022 (audited) *RMB'000*	**For the year ended 31 December 2023 (audited)** *RMB'000*	**For the year ended 31 December 2024 (audited)** *RMB'000*	**For the two months ended 28 February 2025 (audited)** *RMB'000*
Total assets	22,731,666	33,964,718	40,929,667	42,162,630
Total liability	18,061,661	26,916,592	32,632,340	33,865,303
Revenue	0	0	0	0
Net profit before tax	0	0	0	0
Net profit after tax	0	0	0	0

Huizhou No. 2 Nuclear Power

Huizhou No. 2 Nuclear Power is a company established in the PRC and principally engaged in the investment, development, construction, and operation of nuclear power plants. Immediately prior to the completion of the Acquisition, it was owned as to 100% by CGN.

Huizhou No. 2 Nuclear Power owns Huizhou Project Phase II and is responsible for the construction and operation of such project. It is expected that Huizhou Unit 3 will commence commercial operation in 2030, and Unit 4 is currently in the FCD preparation stage.

The financial information of Huizhou No. 2 Nuclear Power is as follows:

	For the year ended 31 December 2023 (audited) *RMB'000*	**For the year ended 31 December 2024 (audited)** *RMB'000*	**For the two months ended 28 February 2025 (audited)** *RMB'000*
Total assets	1,996,416	6,199,902	6,742,461
Total liability	1,706,416	4,973,132	5,515,691
Revenue	0	0	0
Net profit before tax	0	0	0
Net profit after tax	0	0	0

Huizhou No. 3 Nuclear Power

Huizhou No. 3 Nuclear Power, a company established in the PRC, is principally engaged in the investment, development, construction, and operation of nuclear power plants, and responsible for the construction and operation of Huizhou Project Phase III. As at the date of this announcement, CGN has not made any capital investment in it, and Huizhou Project Phase III is currently still in the preliminary preparation stage before the approval, therefore, Huizhou No. 3 Nuclear Power did not generate any assets, liabilities, revenues or profits since its inception on 16 February 2025 up to the period ended 28 February 2025.

Zhanjiang Nuclear Power

Zhanjiang Nuclear Power, a company established in the PRC, is principally engaged in the investment, development, construction, and operation of nuclear power plants, and responsible for the construction and operation of Zhanjiang Nuclear Power Project. As at the date of this announcement, CGN has not made any capital investment in it, and Zhanjiang Nuclear Power Project is currently still in the preliminary development stage, therefore, it did not generate any assets, liabilities, revenues or profits for 2023, 2024 and the two months ended 28 February 2025.

As the benchmark date for the audited financial information of the Target Company is 28 February 2025, in accordance with relevant rules under the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the period between the audit benchmark date and the date of general meeting in which the Acquisition is being considered shall not longer than six months. To ensure the financial information is valid during the consideration at the general meeting, the Company has engaged BDO China Shu Lun Pan CPA LLP to conduct interim audit on the Target Company with 30 June 2025 as the audit benchmark date. As at the date of this announcement, the interim audit is in progress. The Company will timely perform its information disclosure obligations upon completion of interim audit in accordance with relevant rules.

4. INFORMATION ON THE PARTIES

Our Company

Our Company mainly constructs, operates and manages nuclear power stations, sells electricity generated by these stations, and organizes and develops the design and R&D of nuclear power stations.

CGN

Established on September 29, 1994, CGN is a large clean energy enterprise under supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CGN is principally engaged in the generation and sale of power, and the construction, operation and management of nuclear and non-nuclear clean projects. As at the date of this announcement, CGN held approximately 58.89% of the issued share capital of our Company and is the Controlling Shareholder of our Company.

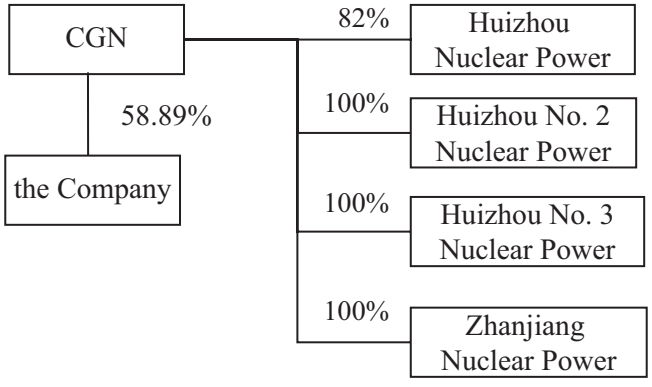
Target Companies

Details of the Target Companies are set out in the section headed "3. Information On the Target Companies" above.

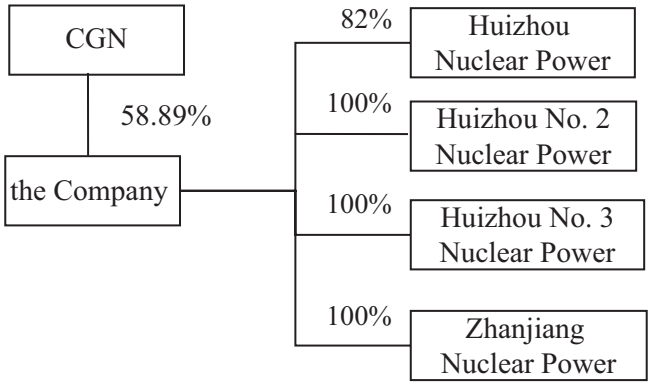
Relationship between the Parties

Set out below is a simplified table of the shareholding structures of the Company, CGN and the Target Companies as at the date of this announcement and immediately after closing of the Acquisition:

As at the date of this announcement



Immediately after closing of the Acquisition



5. REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in its 2024 annual report, the Company is positioned to be the sole platform of CGN for nuclear power generation. Pursuant to the deed of non-competition entered into by CGN in favour of the Company on 21 November 2014, CGN has given certain non-competition undertakings to the Company (for the benefit of itself and other members of the Group), that it will not, and will procure its associates and connected persons (other than any members of the Group), at present or in the future, not to, directly or indirectly, among others, operate, involve in, have an interest in, engage in, acquire or hold any business or activities in the PRC or overseas that compete or likely compete with the business operated by the Group during the agreed restricted periods. To avoid competition between CGN and the Group, CGN has also granted us a right, which is exercisable during the term of the deed of non-competition, to acquire any equity interests, assets or other interests in the retained business carried out by CGN in one or more scenarios.

Pursuant to the right to acquire the retained business under the deed of non-competition, the Company has the right to choose to acquire, in any time, all or part of the interests in the nuclear power retained business being planned or developed by CGN. This undertaking shall remain in force until CGN ceases to be the Controlling Shareholder of the Company or until the Company ceases to be listed on the Stock Exchange. As disclosed in the 2024 annual report of the Company, the Target Companies belong to the retained business. Therefore, the Acquisition will help reduce the potential competition between the Group and CGN. For further details, please refer to, among others, "Corporate Governance Report – Horizontal Competition with the Controlling Shareholder" and "Directors' Report – Controlling Shareholder's Non-competition Undertakings" as disclosed in the 2024 annual report of the Company.

Through the Acquisition, the operating, constructing and reserved installed capacity controlled by the Company will increase respectively. For the Company, expansion of operation and construction of installed capacity is not only an effective way to achieve growth in nuclear power generation and performance growth, but also an important way to enhance the Company's market position and long-term competitiveness in nuclear power industry. The Acquisition is conducive to expanding the scale of the operating, constructing and potential installed capacity controlled by the Company as soon as possible, realizing its strategic position as the sole platform of CGN for nuclear power generation and further consolidating the Company's leading position in the industry. In this regard, the Acquisition is expected to enhance the long-term value of the Company.

6. VALUATIONS

The valuations of the Target Companies were determined by the Valuer using the asset-based approach. In selecting the appropriate valuation approach, the Valuer considered the appropriateness of three generally accepted valuation approaches, namely the market approach, asset-based approach and income approach:

(a) The market approach was not adopted:

(i) for the valuation of Huizhou Nuclear Power and Huizhou No. 2 Nuclear Power, given the limited number of companies available for comparison, coupled with the fact that no reliable market data can be obtained for transactions available for comparison as Huizhou Project Phase I and Huizhou Project Phase II were still under construction as of the Valuation Benchmark Date; and

(ii) for the valuation of Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power, given that the they have not commenced business operations.

(b) The income approach was also not adopted:

(i) for the valuation of Huizhou Nuclear Power, under the income approach, the value of a company is valued based on discounted future cash flows. For the valuation of Huizhou Nuclear Power, although the valuer considered that the conditions for the adoption of the income approach were technically present, the asset-based approach could more fairly reflect the value of Huizhou Nuclear Power in the valuation after taking into further consideration of data quality, macroeconomic factors and potential changes in government policies; and

(ii) for the valuation of Huizhou No. 2 Nuclear Power, Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power, as this approach requires the ability to reasonably forecast future cash flows and quantify associated risks, neither of which could be established given the projects undertaking by the Target Companies are currently in the early construction stage or pre-approval preparation stage or pre-development stage.

(c) The Valuer considered that using the asset-based approach would be most suitable for the valuation of the Share Interests, given that the Valuer was able to verify and assess the value of the assets and liabilities of the Target Companies primarily with reference to the financial statements of the Target Companies.

In conducting the valuations on the Target Companies, the Valuer has adopted the following major assumptions:

General assumptions:

(1) Transaction assumption. It is assumed that the assets to be appraised are in the process of transaction and the Valuer will carry out the valuation in a simulated market based on the transaction conditions (among others) of the assets to be appraised.

(2) Open market assumption: It is assumed that the assets may be traded freely in a competitive market where the price is determined by independent buyer-seller valuation judgments on assets under the supply-demand environment. Open market market is characterized by equal access to information, voluntary transactions, and rational decision-making.

(3) Stable macroeconomic environment assumption: It is assumed that there will be no material changes in applicable laws, policies, macroeconomic conditions, or regional socio-political environments.

(4) Going concern assumption: It is assumed that the appraised entity can continue on an ongoing basis.

(5) Legal compliance assumption: It is assumed that the appraised entity fully complies with all relevant laws and regulations.

(6) Force majeure assumption: It is assumed that there are no force majeure factors and unforeseeable factors that have a significant adverse impact on the appraised entity after the Valuation Benchmark Date.

Special Assumptions

(1) Accounting consistency assumption: It is assumed that the appraised entity's accounting policies post-Valuation Benchmark Date will remain materially consistent with those used in the valuation report.

(2) Data reliability assumption: It is assumed that all information provided to the Valuer is accurate, complete, and legally valid.

The Board is satisfied that (i) the Valuer has the necessary professional qualifications and relevant experience to perform the valuations of the Target Companies; (ii) the scope of work carried out by the Valuer is appropriate for the relevant assessments; and (iii) the valuation assumptions and methodologies adopted by the Valuer for the relevant assessments are fair and reasonable. As such, the Board considers that the valuation is fair and reasonable, and hence reliable as the basis for determining the consideration of the Share Interests.

7. FINANCIAL IMPACT OF THE ACQUISITION

Upon completion of the Acquisition, the Target Companies will become subsidiaries of the Company. The assets, liabilities and financial results of the Target Companies will be consolidated into the Company's consolidated financial statements.

8. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of our Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, CGN, which holds 58.89% of the issued share capital of our Company, is the Controlling Shareholder of our Company. Under Rule 14A.07 of the Listing Rules, CGN is a connected person of our Company. Therefore, the Acquisition constitutes a connected transaction on the part of our Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular, independent financial advice and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

II. REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

After the completion of the Acquisition, the Target Companies will become subsidiaries of our Company, which means the continuing transactions between the Target Companies and CGN and its associates will become continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

2. PARTIALLY EXEMPTED CONTINUING CONNECTED TRANSACTIONS – SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

(A) Revision of Annual Caps for the Receipt of General Services for Each of the Years during the Period from 2025 to 2027 under the 2025-2027 General Services Framework Agreement

Reference is made to the announcement of the Company dated 23 October 2024 in relation to, among others, the 2025-2027 General Services Framework Agreement, in which details of the 2025-2027 General Services Framework Agreement were disclosed. Such agreement has a term of three years and will be terminated on 31 December 2027.

Background: The Company entered into the 2025-2027 General Services Framework Agreement with CGN on 23 October 2024, representing its third renewal between the Company and CGN, pursuant to which, *inter alia*, the CGN Group would provide the following types of services to our Group, including catering services, property management services, transportation services, public procurement services, greening services, accommodation and conference reception services, office support, logistic services and other general service.

Prior to the completion of the Acquisition, the CGN Group has been providing catering services, property management services, transportation services, conference reception services, and other general services to the Target Companies in their respective ordinary and usual course of business. After the completion of the Acquisition, the transactions between the CGN Group and Target Companies will constitute continuing connected transactions of the Group.

As a results, with all the terms and conditions (including but not limited to the scope of services and pricing principles of both parties) under the 2025-2027 General Services Framework Agreement of the Company remaining unchanged, it is anticipated that the Original Annual Caps for Receipt of General Services for the total fees paid/payable to the CGN Group by our Group on an actual basis will not be sufficient to meet the business needs for each of the years ending 31 December 2025, 2026 and 2027. Accordingly, on 27 August 2025, the Board considered and approved the revision of the Original Annual Caps for the receipt of general services by the Group for each of the years during the period from 2025 to 2027 under the 2025-2027 General Services Framework Agreement.

Reasons and benefits for the transactions: We have been procuring general services from CGN Group in the ordinary and usual course of business of our Group since its establishment. As all of our Group's nuclear power stations are located in remote areas and given the strict standards for operational safety and security in the industry, the Directors consider it would be in our Group's best interest to utilize the services provided by CGN Group. Such services provided by CGN Group are on terms no less favorable than those of Independent Third Party service providers and are accustomed to meeting the industry requirements of nuclear safety and security, where applicable to such general services. For instance, CGN has a subsidiary, CGN Services Group Co., Ltd. (中廣核服務集團有限公司), which is a comprehensive general services company specializing in provision of a variety of integrated and stable general services with nuclear industry standards. Given the quality and high standard of such services provided by CGN Group, it would be beneficial for us to continue to receive such services from CGN Group.

Pricing policy: The service fees for the general services provided by CGN Group to our Group are agreed and based on actual costs and expenses incurred in providing such services on normal commercial terms after arm's length negotiations between the relevant parties, with reference to (i) the standard pricing policy based on market or historical prices obtained through recent or previous transactions; (ii) the workload and costs of materials, products, labor and logistics; and (iii) the market prices charged by Independent Third Party providers for services of a similar nature in the usual and ordinary course of business, which shall be on terms no less favourable than those provided by Independent Third Parties.

In addition to the aforesaid pricing principles, the following guiding principles shall apply to the pricing of services contemplated under the 2025-2027 General Services Framework Agreement in the following order:

(1) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular type of products or services, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price shall be agreed by reference to the government-guided price;

    Such pricing principle is mainly applicable to greening services and office support services. In particular, the relevant government-prescribed prices and government-guided prices of greening services mainly refer to the estimate norm standards for construction and installation projects as announced by the governments of various provinces and cities from time to time, such as the Consolidated Estimate Norm for Landscaping Projects in Guangdong Province (《廣東省園林綠化工程綜合定額》), the Consolidated Estimate Norm for Construction and Decoration Projects in Guangdong Province (《廣東省建築與裝飾工程綜合定額》) and the Consolidated Estimate Norm for Municipal Projects in Guangdong Province (《廣東省市政工程綜合定額》) issued by the Department of Housing and Urban-Rural Development of Guangdong Province on its website from time to time. The relevant government-prescribed prices and government-guided prices of office support services mainly refer to the guided prices on labor costs as announced by the governments of various provinces and cities every year, such as the Guided Salary Level on the Human Resources Market and the Industry Labor Cost Information of Guangdong Province (《廣東省人力資源市場工資指導價位及行業人工成本信息》) issued by the Human Resources and Social Security Department of Guangdong Province on its website every year.

(2) Market price: the price of the same or similar products or services provided by an Independent Third Party during the ordinary course of business on normal commercial terms;

Such pricing principle is mainly applicable to catering services, property management services, transportation services, public procurement services, accommodation and meeting reception services and property leasing services, which should be the price at which services are obtained in the market through public bidding, or the market price of an Independent Third Party in a bidding which involves multiple companies, or the price at which the counterparty provides similar services to an Independent Third Party, mainly with reference to the requirements of the Regulations on the Implementation of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》). In particular, the Company conducts public bidding by issuing tender invitations to all unspecified bidders. The number of bidders is subject to the nature of the tender. For the aforesaid services, there are usually more than three bidders; the Company will also invite bidders to participate in tenders. According to the Company's procurement procedures, the number of bidders invited must be three or more. When referring to the price of the counterparty providing similar services to Independent Third Parties, the Company generally refers to at least two contracts in order to obtain comparable market prices from Independent Third Parties.

(3) Agreed price: the price to be determined by adding a reasonable profit over a reasonable cost.

Such pricing principle is not much applied, and is applied to logistics services, services to dispose of administrative supplies and other general services to a small extent. The costs of these services mainly include (i) the cost of purchasing services in the market or the service costs listed in the internal pricing standards applicable to CGN Group and our Group; and (ii) the labor costs and travel expenses incurred by our Group in the management of the relevant services (as determined in accordance with the labor costs and travelling standards of our Group). The profit margins for these services are determined based on the historical costs and benefits incurred by CGN Group and each of our Group's subsidiaries in the related service projects. Based on historical transactions, the profit margins for these services are generally at around 10%.

Historical amounts: Set out below are the amounts of total fees paid/payable to the CGN Group by our Group on an actual basis for the general services received and recognized for the years ended 31 December 2022, 2023 and 2024, and the seven months ended 31 July 2025:

	Historical Amounts For			
	Year Ended 31 December			Seven Months Ended 31 July
	2022	**2023**	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
Total fees paid/payable to the CGN Group by our Group on an actual basis	1,962	1,582	1,779	902

Revised Annual Caps: Set out below are the Original Annual Caps for Receipt of General Services and the Revised General Services Annual Caps for the total fees paid/payable to the CGN Group by our Group for the years ending 31 December 2025, 2026 and 2027:

	Original Annual Caps for Receipt of General Services/Revised Annual Caps for For Year Ending 31 December		
	2025	**2026**	**2027**
	(RMB million)	*(RMB million)*	*(RMB million)*
Total fees paid/payable to the CGN Group by our Group on an actual basis			
(a) Original Annual Caps	1,810	1,950	1,970
(b) Revised Annual Caps	2,200	2,500	2,600

As of the date of this announcement, the historical aggregate transaction amount for the total fees paid/payable to the CGN Group by our Group on an actual basis has not exceeded the Original Annual Caps for Receipt of General Services for the year ending 31 December 2025. However, no adjustment is required for the proposed annual caps for the years ending 31 December 2025, 2026 and 2027 in respect of certain types of general services provided by our Group to CGN Group under the 2025-2027 General Services Framework Agreement, including property leasing services, services to dispose of administrative supplies and other general services.

Basis of caps: In determining the revised proposed annual caps in respect of the total amount of fees payable to the CGN Group for the general services provided by the CGN Group to the Group, the Directors have considered, among others, (i) the historical transaction amounts paid/payable for the general services provided by the CGN Group; and (ii) after the completion of the Acquisition, the expected growth in demand for the general services from the Group following the Acquisition, in particular, the expected growth in the Group's demand for the general services, such as catering, accommodation, transportation, greening and other general services, procured from CGN Services Group Co., Ltd. (中廣核服務集團有限公司), a wholly-owned subsidiary of the CGN Group, and its subsidiaries following the incorporation of the Target Companies into the Group.

In determining the Group's estimated growth in demand for the general services for the three years ending 31 December 2027, the Directors have considered that, among others:

(a) the Revised Annual Cap is increased from the existing approved amount of RMB1,810 million for the year ending 31 December 2025 to RMB2,200 million, representing a difference of approximately RMB390 million, which is primarily attributable to, among others: (i) the increase in amount of approximately RMB80 million in relation to the general services, such as catering, property, transportation and conference reception services, from the CGN Group by Taishan No. 2 Nuclear Power acquired in January 2025 and the Target Companies proposed to be acquired by the Company, (ii) the increase in amount of approximately RMB60 million in relation to the increase in demand for the Group's logistics services in light of the construction progress of its nuclear power projects under construction; (iii) the increase in amount of approximately RMB40 million in relation to the increase in demand for logistic services procured from the CGN Group as a result of the growth of the Group's existing business; and (iv) the respective slight increase in demand for logistics services of the CGN Group from other subsidiaries of the Group;

(b) the Revised Annual Cap is increased from the existing approved amount of RMB1,950 million for the year ending 31 December 2026 to RMB2,500 million, representing a difference of approximately RMB550 million, which is primarily attributable to, among others: (i) the increase in amount of approximately RMB70 million in relation to the general services, such as catering, property, transportation and conference reception services, from the CGN Group by Taishan No. 2 Nuclear Power acquired in January 2025 and the Target Companies proposed to be acquired by the Company, (ii) the increase in amount of approximately RMB50 million in relation to the increase in demand for the Group's logistics services in light of the construction progress of its nuclear power projects under construction; (iii) the increase in amount of approximately RMB30 million in relation to the increase in demand for logistic services procured from the CGN Group as a result of the growth of the Group's existing business; and (iv) the respective slight increase in demand for logistics services of the CGN Group from other subsidiaries of the Group; and

(c) the Revised Annual Cap is increased from the existing approved amount of RMB1,970 million for the year ending 31 December 2027 to RMB2,600 million, representing a difference of approximately RMB630 million, which is primarily attributable to, among others: (i) the increase in amount of approximately RMB80 million in relation to the general services, such as catering, property, transportation and conference reception services, from the CGN Group by Taishan No. 2 Nuclear Power acquired in January 2025 and the Target Companies proposed to be acquired by the Company, (ii) the increase in amount of approximately RMB50 million in relation to the increase in demand for the Group's logistics services in light of the construction progress of its nuclear power projects under construction; (iii) the increase in amount of approximately RMB30 million in relation to the increase in demand for logistic services procured from the CGN Group as a result of the growth of the Group's existing business; and (iv) the respective slight increase in demand for logistics services of the CGN Group from other subsidiaries of the Group.

Information on the parties to the 2025-2027 General Services Framework Agreement: The 2025-2027 General Services Framework Agreement was entered into between the Company and CGN. For further details of the parties, please refer to the section headed "3. The Non-exempt Continuing Connected Transaction is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements" in this announcement.

Directors' view: Taking into account the business relationships and cooperation in relation to the general services established between the relevant subsidiaries of the Group and the relevant subsidiaries of the CGN Group; the Directors (including the independent non-executive Directors) are of the view that the Revised Annual Caps for Receipt of General Services for the years ending 31 December 2025, 2026 and 2027 are arrived at during the Group's ordinary and usual course of business on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of our Company and the Shareholders as a whole.

Listing Rules implications: According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios (except for the profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revised annual caps for the receipt of general services by the Group exceed 0.1% but are less than 5% on an annual basis, the revision of such annual caps is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including opinions of the Independent Financial Adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(B) Revision of Annual Caps for the Provision of Technical Support and Maintenance Services for Each of the Years during the Period from 2025 to 2027 under the 2025-2027 Technical Support and Maintenance Services Framework Agreement

Reference is made to the announcement of the Company dated 23 October 2024 in relation to, among others, the 2025-2027 Technical Support and Maintenance Services Framework Agreement, in which details of the 2025-2027 Technical Support and Maintenance Services Framework Agreement were disclosed. Such agreement has a term of three years and will be terminated on 31 December 2027.

Background: The Company entered into the 2025-2027 Technical Support and Maintenance Services Framework Agreement with CGN on 23 October 2024, representing its third renewal between the Company and CGN, pursuant to which our Group would provide certain types of technical support and maintenance services to the CGN Group, including spare parts services, production training services, maintenance services, operation preparation services, technical studies and expert support services and other technical services.

In view of the growth of the Group's existing business, it is expected that the supervision and inspection services for equipment manufacture for new energy projects provided by the Group to the CGN Group will increase.

In view of the fact that all the terms and conditions (including but not limited to the scope of services and pricing principles of both parties) under the 2025-2027 Technical Support and Maintenance Services Framework Agreement of the Company remain unchanged, it is anticipated that the Original Annual Caps for Provision of Technical Support and Maintenance Services will not be sufficient to meet the business needs for each of the years ending 31 December 2025, 2026 and 2027. Accordingly, on 27 August 2025, the Board considered and approved the revision of the Original Annual Caps for the provision of technical support and maintenance services by the Group for each of the years during the period from 2025 to 2027 under the 2025-2027 Technical Support and Maintenance Services Framework Agreement.

Reasons and benefits for the transactions and pricing policy: Our Group has been procuring certain technical support and maintenance services provided by CGN Group, and vice versa, in the ordinary and usual course of business of our Group to build a nuclear power industrial chain and promote sustainable development.

Subsidiaries of our Group such as China Nuclear Power Operations Co., Ltd. (中廣核核電運營有限公司) have been providing technical support and maintenance services to subsidiaries of CGN in respect of spare parts services, production training services, maintenance services, operation preparation services, technical studies and expert support services.

For further details of the reasons and benefits for the transactions and pricing policy, please refer to the section headed "3. The Non-Exempt Continuing Connected Transaction is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements" later in this announcement.

Historical amounts: Set out below are the amounts of fees received/receivable from the CGN Group for the technical support and maintenance services provided and recognized for the years ended 31 December 2022, 2023 and 2024, and the seven months ended 31 July 2025:

	Historical Amounts For			
	Year Ended 31 December			**Seven Months Ended 31 July**
	2022	**2023**	**2024**	**2025**
	(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
Total fees received/receivable from the CGN Group by our Group on an actual basis	165	166	299	123

Revised Annual Caps: Set out below are the Original Annual Caps for Provision of Technical Support and Maintenance Services and the Revised Annual Caps for the years ending 31 December 2025, 2026 and 2027:

	Original Technical Support and Maintenance Services Annual Caps/Revised Annual Caps For Year Ending 31 December		
	2025	**2026**	**2027**
	(RMB million)	*(RMB million)*	*(RMB million)*
Total fees received/receivable from the CGN Group by our Group on an actual basis			
(a) Original Annual Caps	300	140	140
(b) Revised Annual Caps	430	220	220

As of the date of this announcement, the historical aggregate transaction amount has not exceeded the Original Technical Support and Maintenance Services Annual Cap under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for the year ending 31 December 2025.

Basis of caps: In determining the aforesaid annual caps in respect of the amount of fees receivable from the CGN Group for the technical support and maintenance services provided by the Group to the CGN Group, the Directors have considered, among others, (i) the historical transaction amounts in relation to the technical support and maintenance services provided by the Group to the CGN Group; and (ii) the expected demand from the CGN Group for the technical support and maintenance services.

In determining the estimated growth in demand from the CGN Group for the technical support and maintenance services for the three years ending 31 December 2027, the Directors have considered that, among others:

(a) the Revised Annual Cap is increased from the existing approved amount of RMB300 million for the year ending 31 December 2025 to RMB430 million, representing a difference of approximately RMB130 million, which is primarily attributable to, among others: (i) the anticipated increase in amount of approximately RMB50 million in relation to the increase in production preparation services provided by the Group in light of the construction progress of the retained nuclear power projects of the CGN Group; and (ii) the anticipated increase in amount of approximately RMB70 million in relation to the increase in the supervision and inspection services for equipment manufacture provided by the Group in light of the construction needs of the wind power and photovoltaic projects of the CGN Group;

(b) the Revised Annual Cap is increased from the existing approved amount of RMB140 million for the year ending 31 December 2026 to RMB220 million, representing a difference of approximately RMB80 million, which is primarily attributable to, among others: (i) the anticipation that there will be no material change in the production preparation services to be provided by the Group in light of the construction progress of the retained nuclear power projects of the CGN Group; and (ii) the anticipated increase in amount of approximately RMB50 million in relation to the increase in the supervision and inspection services for equipment manufacture provided by the Group in light of the construction needs of the wind power and photovoltaic projects of the CGN Group; and

(c) the Revised Annual Cap is increased from the existing approved amount of RMB140 million for the year ending 31 December 2027 to RMB220 million, representing a difference of approximately RMB80 million, which is primarily attributable to, among others: (i) the anticipation that there will be no material change in the production preparation services to be provided by the Group in light of the construction progress of the retained nuclear power projects of the CGN Group; and (ii) the increase in amount of approximately RMB54 million in relation to the increase in the supervision and inspection services for equipment manufacture provided by the Group in light of the construction needs of the wind power and photovoltaic projects of the CGN Group.

Information on the parties to the 2025-2027 Technical Support and Maintenance Framework Agreement: The 2025-2027 Technical Support and Maintenance Services Framework Agreement was entered into between the Company and CGN. For details of the parties, please refer to the section headed "3. The Non-Exempt Continuing Connected Transaction is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements" in this announcement.

Directors' view: Taking into account (i) the business relationships and cooperation in relation to the technical support and maintenance services established between the relevant subsidiaries of the Group and the relevant subsidiaries of the CGN Group; (ii) the quality, prices, and performance efficiency of services, demand for their respective businesses, and their operational needs; and (iii) the degree of understanding and familiarity with the relevant technical knowledge and safety requirements, and the availability of opportunities for added value, the Directors (including the Independent Non-executive Directors) are of the view that the Revised Annual Caps for Provision of Technical Support and Maintenance Services for the years ending 31 December 2025, 2026 and 2027 are arrived at during the Group's ordinary and usual course of business on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of our Company and the Shareholders as a whole.

Listing Rules implications: According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios (except for the profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revised annual caps for the provision of technical support and maintenance services by the Group exceed 0.1% but are less than 5% on an annual basis, the revision of such annual caps is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including opinions of the Independent Financial Adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION IS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Revision of Annual Caps for the Receipt of Technical Support and Maintenance Services for Each of the Years during the Period from 2025 to 2027 under the 2025-2027 Technical Support and Maintenance Services Framework Agreement

Reference is made to the announcement of the Company dated 23 October 2024 in relation to, among others, the 2025-2027 Technical Support and Maintenance Services Framework Agreement, in which details of the 2025-2027 Technical Support and Maintenance Services Framework Agreement were disclosed. Such agreement has a term of three years and will be terminated on 31 December 2027.

Background: The Company entered into the 2025-2027 Technical Support and Maintenance Services Framework Agreement with CGN on 23 October 2024, representing its third renewal between the Company and CGN, pursuant to which the CGN Group would provide certain types of technical support and maintenance services to the Group, mainly including spare parts services, production training services, maintenance services, technical studies and expert support services, digital and intelligent technology services, and other technical services.

Prior to the completion of the Acquisition, the CGN Group has been providing primarily spare parts services, production training services, maintenance services, technical studies and expert support services, digital and intelligent technology services, and other technical services to the Target Companies in their respective ordinary and usual course of business. After the completion of the Acquisition, the transactions between the CGN Group and these companies will constitute continuing connected transactions of the Group.

In view of the fact that all the terms and conditions (including but not limited to the scope of services and pricing principles of both parties) under the 2025-2027 Technical Support and Maintenance Services Framework Agreement of the Company remain unchanged, it is anticipated that the Original Annual Caps for Receipt of Technical Support and Maintenance Services will not be sufficient to meet the business needs for each of the years ending 31 December 2025, 2026 and 2027. Accordingly, on 27 August 2025, the Board considered and approved the revision of the Original Annual Caps for the receipt of technical support and maintenance services by the Group for each of the years during the period from 2025 to 2027 under the 2025-2027 Technical Support and Maintenance Services Framework Agreement.

Reasons and benefits for the transactions: Our Group has been procuring certain technical support and maintenance services provided by CGN Group, and vice versa, in the ordinary and usual course of business of our Group to build a nuclear power industrial chain and promote sustainable development. Our Group has carried out such transactions with CGN Group because: (i) subsidiaries of our Company and members of CGN have established business relationships since their respective establishments; (ii) the relevant service providers are experts in their respective fields, either possessing the requisite license for provision of such services and/or are equipped with experienced and skilled technicians to carry out the specialized work involved; (iii) the service recipient will benefit from economies of scale due to the concentration of professional technical support and maintenance services; (iv) for certain sophisticated technical support and maintenance services, the ongoing arrangements with CGN Group could save costs when compared with the procurement of similar support and services from foreign service providers; and (v) the services provided by us to CGN Group, and vice versa, have been on no less favorable terms, compared with the services provided to other third parties, taking into account the service quality, price, knowledge of each other's business needs and operational requirements, familiarity with each other's projects and value-added contributions that could be offered.

The technical support and maintenance services provided by CGN Group to our Group primarily include technical support and maintenance work on nuclear power stations and power generation equipment carried out by the subsidiaries of CGN, such as China Techenergy Co., Ltd. (北京廣利核系統工程有限公司).

Pricing policy: The service fees are agreed and based on actual costs and expenses incurred in providing the relevant services on normal commercial terms after arm's length negotiations between the relevant parties, with reference to (i) a standard pricing policy based on market or historical prices obtained through recent or previous transactions; (ii) the workload and cost of materials, products and labor; and (iii) fees paid to Independent Third Parties for similar services in the ordinary and usual course of business, which shall be on terms no less favourable than those provided by Independent Third Parties.

In addition to the aforesaid pricing principles, the following guiding principles shall apply to the pricing of services contemplated under the 2025-2027 Technical Support and Maintenance Services Framework Agreement in the following order:

(1) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular type of products or services, such product or service shall be supplied at the applicable government-prescribed price. Where a government-guided fee standard is available, the price shall be agreed by reference to the government-guided price;

Such pricing principle is mainly applicable to digital and intelligent services, mainly with reference to the Guo Biao GB-T36964-2018 Specification for Software Engineering Software Development Cost Measurement (《GB-T36964-2018 軟件工程軟件開發成本度量規範》) and GB 50500-2013 Code of Bills of Quantities and Valuation for Construction Works (《GB50500-2013 建設工程工程量清單計價規範》) cost models (hardware integration cost model, software cost model etc.).

(2) Market price: the price of the same or similar products or services provided by an Independent Third Party during the ordinary course of business on normal commercial terms;

Such pricing principle is mainly applicable to maintenance services, technical studies and expert support services and digital and intelligent services, which should be the price at which services are obtained in the market through public bidding, or the market price of an Independent Third Party in a bidding which involves multiple companies, or the price at which the counterparty provides similar services to an Independent Third Party, mainly with reference to the requirements of the Regulations on the Implementation of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》). In particular, the Company conducts public bidding by issuing tender invitations to all unspecified bidders. The number of bidders is subject to the nature of the tender. For the aforesaid services, there are usually more than three bidders; the Company will also invite bidders to participate in tenders. According to the Company's procurement procedures, the number of bidders invited must be three or more. When referring to the price of the counterparty providing similar services to Independent Third Parties, the Company generally refers to at least two contracts in order to obtain comparable market prices from Independent Third Parties.

(3) Agreed price: the price to be determined by adding a reasonable profit over a reasonable cost.

Such pricing principle is mainly applicable to spare parts services, production training services, technical studies and expert support services, digital and intelligent services and other technical services, the costs of such services mainly include (i) due to technical monopolies, the cost of procuring spare parts and services from the original equipment suppliers by our Group; (ii) the cost of services procured in the market or the cost of service stipulated by the internal pricing standard applicable to all members of CGN Group and our Group; and (iii) labor cost and travel expenses generated from our Group's management of relevant services, which are determined by our Group's labor cost and travel policies. The profit margins for these services are determined based on the historical costs and benefits incurred by CGN Group and the respective subsidiaries of our Group in relevant service projects. Based on the historical transactions, the profit margins of these services are generally at around 10%.

Historical amounts: Set out below are the amounts of fees paid/payable to the CGN Group for the technical support and maintenance services received and recognized by the Group for the years ended 31 December 2022, 2023 and 2024, and the seven months ended 31 July 2025:

	Historical Amounts For			
	Year Ended 31 December			Seven Months Ended 31 July
	2022	2023	2024	2025
	(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*
Total fees paid/payable to the CGN Group by our Group on an actual basis	1,054	2,153	3,090	1,397

Revised Annual Caps: Set out below are the Original Annual Caps for Receipt of Technical Support and Maintenance Services and the Revised Annual Caps under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for the years ending 31 December 2025, 2026 and 2027:

	Original Technical Support and Maintenance Services Annual Caps/Revised Annual Caps For Year Ending 31 December		
	2025	2026	2027
	(RMB million)	*(RMB million)*	*(RMB million)*
Total fees paid/payable to the CGN Group by our Group on an actual basis			
(a) Original Annual Caps	3,430	3,450	3,430
(b) Revised Annual Caps	5,400	5,500	6,000

As of the date of this announcement, the historical aggregate transaction amount has not exceeded the Original Annual Caps for Receipt of Technical Support and Maintenance Services under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for the year ending 31 December 2025.

Basis of caps: In determining the revised proposed annual caps in respect of the total amount of fees payable to the CGN Group for the technical support and maintenance services provided the CGN Group to the Group, the Directors have considered, among others, (i) the historical transaction amounts in relation to the technical support and maintenance services provided by the CGN Group; and (ii) after the completion of the Acquisition, the corresponding increase in demand for the technical support and maintenance services procured by the Group from the CGN Group particularly following the incorporation of the Target Companies into the Group.

In determining the Group's estimated growth in demand for the technical support and maintenance services for the three years ending 31 December 2027, the Directors have considered that, among others:

(a) the Revised Annual Cap is increased from the existing approved amount of RMB3,430 million for the year ending 31 December 2025 to RMB5,400 million, representing a difference of approximately RMB1,970 million, which is primarily attributable to, among others: (i) the increase in amount of approximately RMB775 million in relation to the increase in the amount of digitalization services such as DCS supply and joint design services for nuclear islands received by the Group in light of the construction progress of current and future nuclear power projects under construction; (ii) the increase in amount of approximately RMB374 million in relation to the Group's increased investment in research and development; (iii) the increase in amount of approximately RMB76 million in relation to the increase in the amount of spare parts services, digital and intelligent technology services, and maintenance services received from the CGN Group by the Target Companies proposed to be acquired by the Company; (iv) the increase in amount of approximately RMB78 million in relation to the increase in procurement of spare parts by each of the nuclear power stations under operation of the Group according to the reserve arrangements for spare parts; (v) the increase in amount of approximately RMB190 million in relation to the respective increase in the Group's demand for the digital and intelligent technology services from the CGN Group based on the advancement of digital and intelligent transformation; and (vi) the increase in amount of approximately RMB212 million in relation to the increase in the amount of services for environmental protection and equipment maintenance received by the Group;

(b) the Revised Annual Cap is increased from the existing approved amount of RMB3,450 million for the year ending 31 December 2026 to RMB5,500 million, representing a difference of approximately RMB2,050 million, which is primarily attributable to, among others: (i) the increase in amount of approximately RMB1,010 million in relation to the increase in the amount of digitalization services such as DCS supply and joint design services for nuclear islands received by the Group in light of the construction progress of current and future nuclear power projects under construction; (ii) the increase in amount of approximately RMB327 million in relation to the Group's increased investment in research and development; (iii) the increase in amount of approximately RMB204 million in relation to the increase in the amount of spare parts services, digital and intelligent technology services, and maintenance services received from the CGN Group by the Target Companies proposed to be acquired by the Company; (iv) the increase in amount of approximately RMB26 million in relation to the increase in procurement of spare parts by each of the nuclear power stations under operation of the Group according to the reserve arrangements for spare parts; (v) the increase in amount of approximately RMB214 million in relation to the respective increase in the Group's demand for the digital and intelligent technology services from the CGN Group based on the advancement of digital and intelligent transformation; and (vi) the increase in amount of approximately RMB258 million in relation to the increase in the amount of services for environmental protection and equipment maintenance received by the Group; and

(c) the Revised Annual Cap is increased from the existing approved amount of RMB3,430 million for the year ending 31 December 2027 to RMB6,000 million, representing a difference of approximately RMB2,570 million, which is primarily attributable to, among others: (i) the increase in amount of approximately RMB1,593 million in relation to the increase in the amount of digitalization services such as DCS supply and joint design services for nuclear islands received by the Group in light of the construction progress of current and future nuclear power projects under construction; (ii) the increase in amount of approximately RMB172 million in relation to the Group's increased investment in research and development; (iii) the increase in amount of approximately RMB209 million in relation to the increase in the amount of spare parts services, digital and intelligent technology services, and maintenance services received from the CGN Group by the Target Companies proposed to be acquired by the Company; (iv) the increase in amount of approximately RMB36 million in relation to the increase in procurement of spare parts by each of the nuclear power stations under operation of the Group according to the reserve arrangements for spare parts; (v) the increase in amount of approximately RMB224 million in relation to the respective increase in the Group's demand for the digital and intelligent technology services from the CGN Group based on the advancement of digital and intelligent transformation; and (vi) the increase in amount of approximately RMB314 million in relation to the increase in the amount of services for environmental protection and equipment maintenance received by the Group.

Information about the Parties to 2025-2027 Technical Support and Maintenance Services Framework Agreement

The Group

The Group mainly constructs, operates and manages nuclear power stations, sells electricity generated by these stations, and organizes and develops the design and research and development of nuclear power stations.

CGN

Established on September 29, 1994, CGN is a large clean energy enterprise under supervision of the SASAC of the State Council of the PRC. CGN Group is principally engaged in the generation and sale of power, and the construction, operation and management of nuclear and non-nuclear clean projects. As of the date of this announcement, CGN held approximately 58.89% of the issued share capital of our Company and is the controlling shareholder of our Company.

Directors' view: Taking into account (i) the business relationships and cooperation in relation to the technical support and maintenance services established between the relevant subsidiaries of the Group and the relevant subsidiaries of the CGN Group; (ii) the quality, prices, and performance efficiency of services, demand for their respective businesses and their operational needs, as well as the degree of understanding and familiarity with the technical knowledge and safety requirements related to nuclear power, and the availability of opportunities for added value, the Directors (including the Independent Non-executive Directors) are of the view that the Revised Annual Caps for Receipt of Technical Support and Maintenance Services for the years ending 31 December 2025, 2026 and 2027 are arrived at during the Group's ordinary and usual course of business on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of our Company and the Shareholders as a whole.

Listing Rules implications: According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios (except for the profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the revised annual caps for the receipt of technical support and maintenance services by the Group exceed 5% but are less than 25% on an annual basis, the revision of such annual caps is subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. INTERNAL CONTROL MEASURES

Our Company has established a series of internal control measures, including formulating the "Management Rules on Connected Transactions of CGN Power Co., Ltd.", "Management Procedures on Connected Transactions of CGN Power Co., Ltd." and a connected transaction management system to standardize and stipulate the pricing policies and mechanisms, the assignment of responsibility and decision making authority to ensure the continuing connected transactions are conducted in accordance with their respective framework agreements, and that the pricing policies are strictly complied with. We will evaluate the management of continuing connected transactions on at least a quarterly basis.

In particular, applicable guiding principles and relevant internal control measures are as follows:

(a) For the purpose of the principles of government price, our Group reviews the relevant government-prescribed price or government-guided price to ensure that the price of the connected transactions of CGN complies with the relevant government-prescribed price or government-guided price;

(b) For the purpose of the principles of market price, (a) for the purpose of purchasing the products or services of CGN Group, our Group reviews the terms provided by Independent Third Parties, and ensures that the principal terms provided by CGN Group are no less favourable to our Group than those provided by Independent Third Parties; and (b) for the purpose of providing products or services to CGN Group, our Group reviews the terms provided to Independent Third Parties, and ensures that the principal terms provided to CGN Group are no less favourable to our Group than those provided to Independent Third Parties;

(c) For the purpose of the principles of agreed price, if both the principles of the government price and market price do not apply, the price with CGN Group is determined by adding a reasonable profit over a reasonable cost, and our Group will ensure that the relevant profit is no less favourable than that provided by Independent Third Parties; and

(d) In accordance with the Listing Rules, (i) the external auditor of our Group will continue to report annually on the continuing connected transactions to confirm, among other things, whether the continuing connected transactions were entered into in accordance with their respective framework agreements and, for the transactions involving the provision of goods or services by our Group, to confirm whether it is aware of any matters that, in its opinion, the continuing connected transactions are not in compliance with our Group's pricing policy in all material respect; and (ii) the independent non-executive Directors will continue to review and report annually on whether the continuing connected transactions are, among other things, entered into in accordance with the respective framework agreements governing them and on terms that are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

For the purpose of the 2025-2027 General Services Framework Agreement and the 2025-2027 Technical Support and Maintenance Services Framework Agreement, if the prices of the relevant transactions are to be determined under the principle of the agreed price, our Group will track government standards in real time for any changes and the prices of services to be procured by our Group on the market regularly, to ensure such transactions are conducted on normal commercial conditions or more favourable terms, and will also strictly implement our Group's labor cost and travel policies, and maintain the related profits at a reasonable level. The Company conducts internal audits of connected transactions on a semi-annual basis to ensure the effectiveness of internal control measures.

In the event that the Revised Annual Caps under the 2025-2027 General Services Framework Agreement and the 2025-2027 Technical Support and Maintenance Services Framework Agreement are exceeded, renewed or materially varied, the Company will re-comply with the relevant requirements pursuant to Rules 14A.35 to 14A.47 of the Listing Rules.

III. OTHER INFORMATION

Board's Approval

As disclosed in "Corporate Governance Report – Horizontal Competition with the Controlling Shareholder" and "Directors' Report – Controlling Shareholder's Non-competition Undertakings" as set out in the 2024 annual report of the Company, CGN has granted the acquisition option to the Company for the acquisition of certain equity interests in the nuclear power business controlled by CGN that compete or are likely to compete with the Group's business. The Independent Non-executive Directors are responsible for the review, consideration and decision on whether to exercise such acquisition right. The Independent Non-executive Directors of the Company have reviewed, considered and approved the exercise of the acquisition option for the purpose of the Acquisition.

On 27 August 2025, the Company convened its Board meeting. The Directors who have a conflict of interests in the Acquisition and the transactions under the continuing connected transactions have abstained from voting on the resolutions in relation to the Acquisition and the revision of the relevant annual caps for the continuing connected transactions. The Board has considered and approved the resolutions in relation to the Acquisition and the revision of the relevant annual caps for the continuing connected transactions.

The Directors consider that the Acquisition and the revision of the relevant annual caps for the continuing connected transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Resolutions will be proposed at the EGM for the Independent Shareholders to consider and approve the Share Transfer Agreement and the Non-exempt Continuing Connected Transaction and all other transactions contemplated thereunder.

Independent Board Committee

The Company has established the Independent Board Committee comprising all the Independent Non-executive Directors, which is responsible for advising the Independent Shareholders on (i) whether the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) whether the Non-exempt Continuing Connected Transaction and the Revised Annual Caps are on normal commercial terms, conducted in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Independent Financial Adviser

The Company has appointed Anglo Chinese Corporate Finance, Limited as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on (i) whether the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) whether the Non-exempt Continuing Connected Transaction and the Revised Annual Caps are on normal commercial terms, conducted in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Connected Persons Required to Abstain from Voting on the Resolutions

CGN is deemed to have a material interest in the Acquisition and the Non-exempt Continuing Connected Transaction. Pursuant to Rule 14A.36 of the Listing Rules, any connected person who has a material interest in the relevant connected transaction must abstain from voting on the relevant resolutions at the EGM. As of the date of this announcement, CGN holds 29,736,876,375 Shares, representing approximately 58.89% of the issued Shares, and it and its associates are required to abstain from voting at the EGM in respect of the Acquisition and the Non-exempt Continuing Connected Transaction. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) its ultimate beneficial owners and their respective associates have not entered into any binding equity trust or other agreement or arrangement or intention; and (ii) its ultimate beneficial owners and their respective associates do not have any obligation or right as at the date of this announcement to transfer, in general or individual circumstances, to a third party, temporarily or permanently, the control over the exercise of the voting rights attached to the relevant Shares.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, save as disclosed in this announcement, no Shareholder is required to abstain from voting on other resolutions.

Publication of Circular

A circular, containing, among others, (i) further details of the Acquisition; (ii) further details of the Non-exempt Continuing Connected Transaction; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition and the Non-exempt Continuing Connected Transactions; (iv) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Non-exempt Continuing Connected Transaction; and (v) a notice of the EGM, will be published on or before 17 September 2025.

The transactions contemplated under this announcement are subject to the satisfaction or waiver (where applicable) of a number of conditions and, accordingly, may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning below:

"2025-2027 General Services Framework Agreement"	the general services framework agreement entered into between the Company and CGN on 23 October 2024
"2025-2027 Technical Support and Maintenance Services Framework Agreement"	the technical support and maintenance services framework agreement entered into between the Company and CGN on 23 October 2024
"A Share(s)"	ordinary shares issued by our Company which are denominated in RMB with a nominal value of RMB1.00 each and listed on the Shenzhen Stock Exchange
"Acquisition"	the acquisition of the Share Interests by our Company from CGN pursuant to the Share Transfer Agreement
"Articles of Association"	Articles of association of our Company
"Board"	the board of Directors of our Company
"CGN"	China General Nuclear Power Corporation* (中國廣核集團有限公司), a state-owned enterprise established in the PRC on September 29, 1994 and the Controlling Shareholder and promoter, and thus a connected person of our Company
"CGN Group"	CGN and its subsidiaries, excluding the Group
"Company" or "our Company"	CGN Power Co., Ltd.* (中國廣核電力股份有限公司), a joint stock company with limited liability incorporated under PRC law on March 25, 2014, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (1816.HK) and the A Shares of which are listed on the Shenzhen Stock Exchange (003816.SZ)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of our Company
"EGM"	the 2025 first extraordinary general meeting of the Company to be held at 2:30 p.m. on Thursday, October 16, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC
"FCD"	the First Concrete Day of the main plant of the nuclear reactor

"Group" or "our Group"	our Company and its subsidiaries
"H Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong dollar" or "HK$"	the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huizhou Nuclear Power"	CGN Huizhou Nuclear Power Co., Ltd. (中廣核惠州核電有限公司)
"Huizhou Project Phase I"	Huizhou Units 1 and 2
"Huizhou No. 2 Nuclear Power"	CGN Huizhou No. 2 Nuclear Power Co., Ltd. (中廣核惠州第二核電有限公司)
"Huizhou Project Phase II"	Huizhou Units 3 and 4
"Huizhou No. 3 Nuclear Power"	CGN Huizhou No. 3 Nuclear Power Co., Ltd. (中廣核惠州第三核電有限公司)
"Huizhou Project Phase III"	Huizhou Units 5 and 6
"Independent Board Committee"	a board committee comprising Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua, which has been established to advise the Independent Shareholders in respect of the Acquisition, the non-exempt continuing connected transactions (including the revised annual caps) and the transactions contemplated thereunder
"Independent Financial Adviser"	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry out type 1 (dealing in securities), 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 by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the Non-exempt Continuing Connected Transaction (including the revised annual caps) and the transactions contemplated thereunder
"Independent Non-executive Directors"	the independent non-executive Directors, namely Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua
"Independent Shareholders"	Shareholders other than CGN Group and its associates

"Independent Third Party(ies)"	person(s) which is/are not connected with any Directors, supervisors, chief executive or substantial shareholders of our Company or any of its subsidiaries and their respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
"Non-exempt Continuing Connected Transaction"	the revision of annual caps for the receipt of technical support and maintenance services for each of the years during the period from 2025 to 2027
"Original Annual Caps"	the Original Annual Caps for Receipt of General Services and the Original Annual Caps for Technical Support and Maintenance Services
"Original Annual Caps for Receipt of General Services"	the existing annual caps for the receipt of services under the transactions under the 2025-2027 General Services Framework Agreement for each of the three years ending 31 December 2025, 2026 and 2027
"Original Annual Caps for Technical Support and Maintenance Services"	the existing annual caps for the receipt/provision of services under the transactions under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for each of the three years ending 31 December 2025, 2026 and 2027
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Revised Annual Caps"	the Revised Annual Caps for Receipt of General Services and the Revised Annual Caps for Technical Support and Maintenance Services
"Revised Annual Caps for Receipt of General Services"	the revised annual caps for the receipt of services under the transactions under the 2025-2027 General Services Framework Agreement for each of the three years ending 31 December 2025, 2026 and 2027
"Revised Annual Caps for Technical Support and Maintenance Services"	the revised annual caps for the receipt/provision of services under the transactions under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for each of the three years ending 31 December 2025, 2026 and 2027
"Revision of Annual Caps"	the revision of the Original Annual Caps to the Revised Annual Caps
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	A Share(s) and H Share(s)

"Share Interests"	the issued shares of the Target Companies to be acquired by our Company in connection with the Acquisition, representing (i) 82% of the entire equity interests in Huizhou Nuclear Power; (ii) 100% of the equity interests in Huizhou No. 2 Nuclear Power; (iii) 100% of the equity interests in Huizhou No. 3 Nuclear Power; and (iv) 100% of the equity interests in Zhanjiang Nuclear Power
"Share Transfer Agreement"	the Share Transfer Agreement entered into between our Company and CGN on 27 August 2025 in respect of the Acquisition
"Shareholder(s)"	holder(s) of Shares of the Company
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Target Companies"	Huizhou Nuclear Power, Huizhou No. 2 Nuclear Power, Huizhou No. 3 Nuclear Power, and Zhanjiang Nuclear Power
"Valuation Benchmark Date"	28 February 2025
"Valuer"	Beijing Huaya Zhengxin Assets Appraisal Co., Ltd. (北京華亞正信資產評估有限公司), an Independent Third Party
"Zhanjiang Nuclear Power"	CGN Zhanjiang Nuclear Power Co., Ltd. (中廣核湛江核電有限公司)
"%"	per cent

By order of the Board
CGN Power Co., Ltd.*
Yin Engang
Chief Financial Officer, Joint Company Secretary and Board Secretary

The PRC, 27 August 2025

As at the date of this announcement, the Board of our Company comprises Mr. Gao Ligang as an executive Director; Mr. Yang Changli, Ms. Li Li, Mr. Pang Songtao, Mr. Feng Jian and Mr. Liu Huanbing as non-executive Directors; Mr. Wong Ming Fung, Mr. Li Fuyou and Ms. Xu Hua as independent non-executive Directors.

* *For identification purpose only*