THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **CGN Power Co., Ltd.***, you should at once hand this circular together with the form of proxy and reply slip to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

CGN 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 FROM CGN
(2) CONTINUING CONNECTED TRANSACTIONS
(3) ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE PROCEDURAL RULES OF GENERAL MEETING AND THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS
(4) AMENDMENTS TO AND RENAME OF THE REMUNERATION PROPOSAL FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD OF DIRECTORS AND THE SUPERVISORS OF THE FOURTH SESSION OF THE SUPERVISORY COMMITTEE
AND
(5) NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING AND THE 2025 SECOND H SHAREHOLDERS' CLASS MEETING

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS

ANGLO CHINESE CORPORATE FINANCE, LIMITED 英高

A letter from the Board is set out on pages 6 to 37 of this circular.

The Company is scheduled to convene the EGM at 2:30 p.m. on Thursday, October 16, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC, and the H Shareholders' Class Meeting after the conclusion or adjournment of the EGM (whichever is the later), and the A Shareholders' Class Meeting immediately after the conclusion or adjournment of the H Shareholders' Class Meeting (whichever is the later). The notices of the EGM and the H Shareholders' Class Meeting are set out on pages EGM-1 to HCM-3 of this circular.

Whether or not you are able to attend and vote at the EGM and/or the H Shareholders' Class Meeting, you are requested to complete and return (i) the accompanying reply slip in accordance with the instructions printed thereon on or before Friday, September 26, 2025 to the H Share Registrar; and (ii) the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the EGM and/or the H Shareholders' Class Meeting or any adjournment thereof (as the case may be) to the H Share Registrar. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and/or the H Shareholders' Class Meeting or any adjournment should you so wish.

* *For identification purpose only*

September 18, 2025

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 6

I. INTRODUCTION 6

II. MATTER TO BE RESOLVED AT THE EGM 7

III. ORDINARY RESOLUTIONS 7

To consider and approve the discloseable and connected transaction in relation to the Acquisition of Equity Interests in four companies including Huizhou Nuclear Power from CGN 7

To consider and approve the Non-exempt Continuing Connected Transaction 20

To consider and approve the Amendments to and Rename of the Remuneration Proposal for the Directors of the Fourth Session of the Board of Directors and the Supervisors of the Fourth Session of the Supervisory Committee 33

IV. SPECIAL RESOLUTION 34

To consider and approve the Abolishment of the Supervisory Committee and Amendments to the Articles of Association, the Procedural Rules of General Meeting and the Procedural Rules of the Board of Directors 34

V. THE EGM AND THE H SHAREHOLDERS' CLASS MEETING 35

VI. RECOMMENDATIONS 37

VII. ADDITIONAL INFORMATION 37

LETTER FROM THE INDEPENDENT BOARD COMMITTEE TO THE INDEPENDENT SHAREHOLDERS 38

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS 40

CONTENTS

APPENDIX I:	**GENERAL INFORMATION**	I-1
APPENDIX II:	**SUMMARY OF ASSET VALUATION REPORT OF HUIZHOU NUCLEAR POWER**	II-1
APPENDIX III:	**SUMMARY OF ASSET VALUATION REPORT OF HUIZHOU NO. 2 NUCLEAR POWER**	III-1
APPENDIX IV:	**SUMMARY OF ASSET VALUATION REPORT OF HUIZHOU NO. 3 NUCLEAR POWER**	IV-1
APPENDIX V:	**SUMMARY OF ASSET VALUATION REPORT OF ZHANJIANG NUCLEAR POWER**	V-1
APPENDIX VI:	**COMPARISON TABLE OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION**	VI-1
APPENDIX VII:	**COMPARISON TABLE OF AMENDMENTS TO THE PROCEDURAL RULES OF GENERAL MEETING**	VII-1
APPENDIX VIII:	**COMPARISON TABLE OF AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS**	VIII-1
NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING		EGM-1
NOTICE OF THE 2025 SECOND H SHAREHOLDERS' CLASS MEETING		HCM-1

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

"2025-2027 Technical Support and Maintenance Services Framework Agreement"	the 2025-2027 technical support and maintenance services framework agreement entered into between the Company and CGN on October 23, 2024
"A Share(s)"	ordinary shares issued by the Company and denominated in RMB with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of A Shares
"A Shareholders' Class Meeting"	the 2025 second class meeting of A Shareholders of the Company to be held on Thursday, October 16, 2025
"Acquisition"	the acquisition of the Share Interests by our Company from CGN pursuant to the Share Transfer Agreement
"Articles of Association"	the articles of association of CGN Power Co., Ltd.*
"Board"	the board of Directors of the 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 of the Company, and thus a connected person of the Company
"CGN Group"	CGN and its subsidiaries, excluding, for the purpose of this circular only, 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 established in the PRC on March 25, 2014, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1816), and the A Shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 003816)
"connected person(s)"	has/have the meaning ascribed thereto under the Hong Kong Listing Rules

"controlling shareholder"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Director(s)"	director(s) of the 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"	the 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
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Shareholder(s)"	holder(s) of H Shares
"H Shareholders' Class Meeting"	the 2025 second class meeting of H Shareholders of the Company to be held at 3:00 p.m. on Thursday, October 16, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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 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 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 Project Phase II"	Huizhou Units 3 and 4
"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 Transaction (including the revised annual caps) and the transactions contemplated thereunder
"Independent Financial Adviser"	Anglo Chinese Corporate Finance, Limited, a licensed corporation to conduct 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
"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
"Latest Practicable Date"	September 16, 2025, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
"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

"PRC"	the People's Republic of China, excluding, for the purpose of this circular only, Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC, and Taiwan
"Revised Annual Caps for the Receipt of Technical Support and Maintenance Services"	the revised annual caps for the receipt of services under the transactions under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for each of the three years ending December 31, 2025, 2026 and 2027
"Revision of Annual Caps for the Receipt of Technical Support and Maintenance Services"	the revision of the original annual caps to the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (as amended or supplemented from time to time)
"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 August 27, 2025 in respect of the Acquisition
"Shareholder(s)"	shareholder(s) of the Company
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules

"substantial shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Target Companies"	Huizhou Nuclear Power, Huizhou No. 2 Nuclear Power, Huizhou No. 3 Nuclear Power, and Zhanjiang Nuclear Power
"Valuation Benchmark Date"	February 28, 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

The English names of the PRC entities in this circular are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail. For any inconsistency between the English and Chinese versions of appendices of this circular, the Chinese version shall prevail.



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)

Executive Director:
Mr. Gao Ligang

Non-executive Directors:
Mr. Yang Changli *(Chairman)*
Ms. Li Li
Mr. Pang Songtao
Mr. Feng Jian
Mr. Liu Huanbing

Independent non-executive Directors:
Mr. Wong Ming Fung
Mr. Li Fuyou
Ms. Xu Hua

Registered Office and Headquarters in the PRC:
18/F, South Tower, CGN Building
No. 2002 Shennan Road
Shenzhen, Guangdong Province
The PRC

Principal Place of Business in Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Dear Shareholders,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE EQUITY INTERESTS IN FOUR COMPANIES INCLUDING HUIZHOU NUCLEAR POWER FROM CGN
(2) CONTINUING CONNECTED TRANSACTIONS
(3) ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE PROCEDURAL RULES OF GENERAL MEETING AND THE PROCEDURAL RULES OF THE BOARD OF DIRECTORS
(4) AMENDMENTS TO AND RENAME OF THE REMUNERATION PROPOSAL FOR THE DIRECTORS OF THE FOURTH SESSION OF THE BOARD OF DIRECTORS AND THE SUPERVISORS OF THE FOURTH SESSION OF THE SUPERVISORY COMMITTEE
AND
(5) NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING AND THE 2025 SECOND H SHAREHOLDERS' CLASS MEETING

I. INTRODUCTION

The Company is scheduled to convene the EGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting at 2:30 p.m. on Thursday, October 16, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC. The notices of the EGM and the H Shareholders' Class Meeting set out on pages EGM-1 to HCM-3 of this circular.

The purpose of this circular is to provide you with details of the EGM and the H Shareholders' Class Meeting; and the resolutions to be proposed to Shareholders to consider and approve as ordinary resolutions or special resolution, as case may be, at the EGM and the H Shareholders' Class Meeting and provide all reasonably required information to enable the Shareholders to make an informed decision on whether to vote for or against or abstain from voting at the resolution. Such resolution and details are set out in sections III to IV of this letter from the Board.

II. MATTERS TO BE RESOLVED AT THE EGM

Ordinary Resolutions

1. To consider and approve the discloseable and connected transaction in relation to the acquisition of equity interests in four companies including Huizhou Nuclear Power from CGN

2. To consider and approve the Non-exempt Continuing Connected Transaction

3. To consider and approve the amendments to and rename of the remuneration proposal for the Directors of the Fourth Session of the Board of Directors and the Supervisors of the Fourth Session of the Supervisory Committee

Special Resolution

To consider and approve the abolishment of the Supervisory Committee and amendments to the Articles of Association, the Procedural Rules of General Meeting and the Procedural Rules of the Board of Directors

III. ORDINARY RESOLUTIONS

1. To consider and approve the discloseable and connected transaction in relation to the Acquisition of Equity Interests in four companies including Huizhou Nuclear Power from CGN

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.

On August 27, 2025, the Company exercised the acquisition right in respect of the Share Interests, and our Company (as the purchaser) entered into the Share Transfer Agreement with CGN (as the vendor). Pursuant to the Share Transfer Agreement, our Company has agreed to acquire and CGN has agreed to dispose the Share Interests. As one of the conditions as set out in the 2024 annual report of the Company, the Independent Non-executive Directors have reviewed, considered and approved the exercise of the acquisition right. For details, please refer to the letter from the Independent Board Committee to the Independent Shareholders.

2. The Share Transfer Agreement

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

Date:	August 27, 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[(1)] for Huizhou Nuclear Power; (ii) approximately RMB1.35 billion[(2)] 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.

Notes:

(1) In the valuation, the book value of Huizhou Nuclear Power was approximately RMB8.30 billion. Under the valuation using the asset-based approach, the appraised value was approximately RMB9.78 billion, with appraisal increase of approximately RMB1.49 billion and appreciation rate of approximately 17.9%. The significant difference between the asset book value and the appraised value was mainly due to the fundamental difference between the accounting measurement basis and the valuation method. The book value is measured in strict compliance with historical cost principle, while the appraised value has fully reflected the fair market value as at the Valuation Benchmark Date. According to the prevailing China Accounting Standards for Business Enterprises, long-term assets such as fixed assets and intangible assets are stated at cost less accumulated amortisation. Such accounting measurement does not cover the factor of market value changes. During the valuation, key external environment factors, such as the rapid development in regional economy (especially the economic growth momentum in Huizhou), land scarcity in core area (such as the location advantages in Jiangbei Central Business District) and continuous improvement of infrastructures, have been fully considered. The positive changes in these market conditions have significantly boosted the fair value of assets. However, such changes in value cannot be reflected in book value. When evaluating work in progress, capital costs have been re-estimated based on the reasonable completion schedule and interest rate, which reflected the actual value of capital utilisation. The market conditions and the use of professional evaluation method are factors causing value changes which cannot be covered by book value.

(2) In the valuation, the book value of Huizhou No. 2 Nuclear Power was approximately RMB1.23 billion. Under the valuation using the asset-based approach, the appraised value was approximately RMB1.35 billion, with appraisal increase of approximately RMB0.13 billion and appreciation rate of approximately 10.3%. The significant difference between the asset book value and the appraised value was mainly due to the fundamental difference between the accounting measurement basis and the valuation method. The book value is measured in strict compliance with historical cost principle, while the appraised value has fully reflected the fair market value as at the Valuation Benchmark Date. According to the prevailing China Accounting Standards for Business Enterprises, fixed assets, such as buildings and structures, are stated at cost less accumulated amortisation, which does not fully taken into account of the difference between actual economic useful life and accounting depreciation term. When evaluating work in progress, capital costs have been re-estimated based on the reasonable completion schedule and interest rate, which reflected the actual value of capital utilisation. In respect of intangible asset, the land use right has appreciated as a result of the high market demand in land supply in Huidong County and the improvement of infrastructure construction. In respect of maritime right of use, there is difference between appraised value and book value due to the estimation of interest, profit and value-added revenue with reference to the Technical Regulation For Valuation in Sea Area and other factors. The market conditions and the use of professional evaluation method are factors causing value changes which cannot be covered by book value.

Among the above conditions precedent, except for condition (a) which is still subject to approval at the general meeting of the Company, other conditions precedent have been fulfilled.

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. As at the Latest Practicable Date, both Units 1 and 2 of Huizhou Project Phase I have not yet put into commercial operation, and are expected to put into commercial operation in the second half of 2025 and the first half of 2026, respectively. It is expected that the total investment for Huizhou Project Phase I will be approximately RMB44.235 billion. As at the Valuation Benchmark Date, being February 28, 2025, the investment made to Huizhou Project Phase I amounted to approximately RMB40.317 billion, and approximately RMB3.918 billion to be invested subsequent to the Valuation Benchmark Date.

The financial information of Huizhou Nuclear Power is as follows:

	For the year ended December 31, 2022 *(audited)* *RMB'000*	**For the year ended December 31, 2023** *(audited)* *RMB'000*	**For the year ended December 31, 2024** *(audited)* *RMB'000*	**For the two months ended February 28, 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. It is expected that the total investment for Huizhou Project Phase II will be approximately RMB41.529 billion. As at the Valuation Benchmark Date, being February 28, 2025, the investment made to Huizhou Project Phase II amounted to approximately RMB6.6 billion, and approximately RMB34.929 billion to be invested subsequent to the Valuation Benchmark Date.

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

	For the year ended December 31, 2023 *(audited)* *RMB'000*	**For the year ended December 31, 2024** *(audited)* *RMB'000*	**For the two months ended February 28, 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 Latest Practicable Date, 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 February 16, 2025 up to the period ended February 28, 2025. The nuclear power project to be invested and developed by Huizhou No. 3 Nuclear Power has not yet been approved. Hence, the capital expenses for the nuclear power project cannot be reasonably estimated as at the Latest Practicable Date.

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 Latest Practicable Date, 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 February 28, 2025. The nuclear power project to be invested and developed by Zhanjiang Nuclear Power has not yet been approved. Hence, the capital expenses for the nuclear power project cannot be reasonably estimated as at the Latest Practicable Date.

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 Latest Practicable Date, CGN held approximately 58.89% of the issued share capital of our Company and is the Controlling Shareholder of our Company.

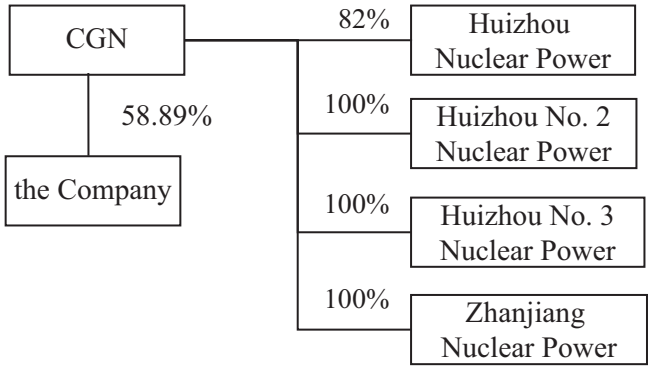
Target Companies

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

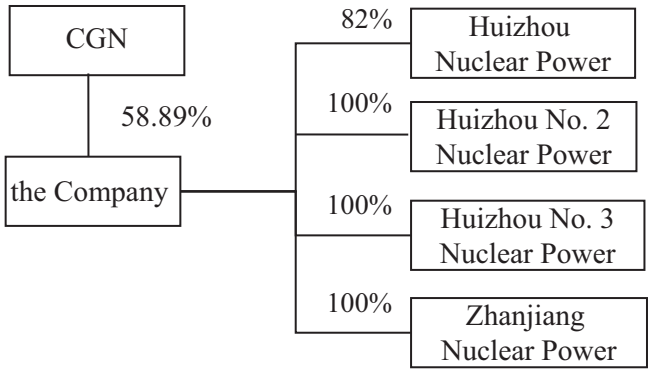
Relationship between the Parties

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

As at the Latest Practicable Date



Immediately after closing of the Acquisition



As at the Latest Practicable Date, there is no change in the proportion of the issued shares of the Company held by CGN.

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 November 21, 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 Hong Kong 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.

There will be a total of 4 nuclear power generating units for Huizhou Project Phase I and Huizhou Project Phase II, with installed capacity of approximately 4,822 MW in aggregate. For Huizhou Project Phase III, it is planned to construct 2 generating units which adopt the third generation nuclear power technology, with installed capacity of approximately 2,400 MW in aggregate. Zhanjiang Nuclear Power Project is currently in the preliminary development stage, and the installed capacity cannot be reasonably determined. 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 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 asset valuation filing for asset valuation results of the Acquisition has been completed in accordance with relevant laws and regulations. The Board is of the view that the approaches selected for the valuation can reflect the market values of the Target Companies at present. The assumption premises and restrictions set for the valuation have been executed in accordance with relevant laws and rules of China, complied with practices or standards generally accepted in the market, and are in line with the actual situation of the Target Companies. The valuation methods and valuation objectives are correlated. The valuation conclusions of the issued valuation report are reasonable, and the valuation pricing is fair, which will not harm the interests of the Company and Shareholders, especially the minority Shareholders.

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 Latest Practicable Date, 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.

Board's Approval

On August 27, 2025, the Company convened its Board meeting. As at the date of the aforementioned Board meeting and the Latest Practicable Date, Mr. Yang Changli, Mr. Gao Ligang, Ms. Li Li and Mr. Pang Songtao did not hold shares in the Company. Mr. Yang Changli concurrently served as the chairman of CGN. Mr. Gao Ligang concurrently served as a director and the general manager of CGN. Ms. Li Li concurrently served as a director of CGN. Mr. Pang Songtao concurrently served as the deputy general manager of CGN. The aforementioned directors are the directors who have a conflict of interests in the above Acquisition, and have abstained from voting on the resolutions in relation to the Acquisition. The Board has considered and approved the entering into of the Share Transfer Agreement with CGN in respect of the Acquisition.

Directors are of the view that the Acquisition is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

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 whether the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 38 to 39 of this circular, which contains its recommendation on the Acquisition. The Independent Board Committee is of the view that: the Acquisition is conducted on the basis of safeguarding the interests of the Company and all Shareholders, which is necessary and reasonable, and a substantive measure for the continuous performance of non-competition undertakings of CGN. The pricing of the connected transactions is fair without harming the

interests of the Company and all Shareholders, especially minority interests, is fair and reasonable as far as the Independent Shareholders are concern, 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 whether the terms of the Acquisition are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

2. To consider and approve the Non-exempt Continuing Connected Transaction

1. Introduction

As of the Latest Practicable Date, CGN held 58.89% of the issued share capital of our Company and is the controlling shareholder of our Company and therefore a connected person of our Company.

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. Revision of annual caps for the Non-exempt Continuing Connected Transaction

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 October 23, 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 December 31, 2027.

Background: The Company entered into the 2025-2027 Technical Support and Maintenance Services Framework Agreement with CGN on October 23, 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 December 31, 2025, 2026 and 2027. Accordingly, on August 27, 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%.

The technical support and maintenance services provided by CGN Group to our Group are primarily digital/intelligent services, which mainly involve the "power transmission and distribution and control equipment manufacturing industry" and the "software and information technology services industry". According to the Standard Values for Enterprise Performance Evaluation (《企業績效評價標準值》) for 2024 issued by the SASAC, the operating profit margin indicators for these two industries, as statistically measured across the respective entire industry, are as follows:

Industry	**Excellent Value** *(%)*	**Good Value** *(%)*
Power transmission and distribution and control equipment manufacturing industry	11.8	8.1
Software and information technology services industry	18.1	11.0

Taking into account that, as of 2024, CGN has achieved an annual operational performance rating of A for the year (based on consolidated financial statements) for twelve consecutive years, and its operational performance from 2022 to 2024 ranked 17th among enterprises rated A, our Group believes it is appropriate to take reference to the excellent and good values from the Standard Values for Enterprise Performance Evaluation issued by the SASAC to assess the profit margin level of the services provided by CGN Group, and the profit margin level of the services provided by CGN Group to our Group falls between the excellent and good values or is below the good value. As such, the Board considers that such profits ratio is in line with the respective industry or more favourable to the Group, and accordingly, is fair and reasonable, and is in the interests of the Company and its Shareholders.

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 December 31, 2022, 2023 and 2024, and the seven months ended July 31, 2025:

	Historical Amounts For			
	Year Ended December 31,			**Seven Months Ended July 31,**
	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 for the Receipt of Technical Support and Maintenance Services under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for the years ending December 31, 2025, 2026 and 2027:

	Original Technical Support and Maintenance Services Annual Caps/Revised Annual Caps For Year Ending December 31,		
	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 Latest Practicable Date, 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 December 31, 2025. Pursuant to the 2025-2027 Technical Support and Maintenance Services Framework Agreement, the 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. The proposed annual caps for the period ended December 31, 2025, 2026 and 2027 are exempt from the circular (including opinions of the Independent Financial Adviser) and Independent Shareholders' approval requirements.

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 December 31, 2027, the Directors have considered that, among others:

In 2024, the transaction amount for the receipt of technical support and maintenance service transactions between the Target Companies and CGN Group amounted to RMB33 million, mainly due to the increase in demand for spare parts services, digital and intelligent technology services and maintenance services with the approaching commercial operation and the commenced commercial operation of power generating units as Huizhou Unit 1 and Unit 2 of Huizhou Nuclear Power are expected to put into commercial operation in the second half of 2025 and the first half of 2026. The expected increase in the demand for spare parts services, digital and intelligent technology services, and maintenance services is estimated based on the settlement arrangement of the connected transaction contracts entered by Huizhou Nuclear Power, as well as the estimated amount of potential connected transactions with quotation invitation made to CGN Group.

Apart from the impacts of the Acquisition, as compared to the estimated basis for the transaction caps for 2025, 2026 and 2027 under the 2025-2027 Technical Support and Maintenance Services Framework Agreement entered into with CGN on October 23, 2024, the state newly approved a total of 5 nuclear power projects (with a total of 10 power generating units) of CGN Group and the Group in the second half of 2024 and the first half of 2025. These nuclear power projects are expected to increase the amount for the receipt of technical support and maintenance services by approximately RMB984 million, RMB834 million and RMB1,051 million for each year from 2025 to 2027, respectively. In addition, based on the state policies on nuclear power development, the state approved five nuclear power projects each year in 2022, 2023, 2024, and the first half of 2025, with CGN Group or our Group accounting for one, two, three and two of them respectively. Against the backdrop and with the support of the national policy of "actively, safely, and orderly developing nuclear power", the Board expects CGN Group and the Group will continuously and gradually have new projects being approved. As such, our Group estimates that the increase in the amount for the receipt of technical support and maintenance services from the newly nuclear power projects approved by the state in future will be approximately RMB61 million, RMB686 million and RMB1,398 million in 2025, 2026 and 2027, respectively. In view that the engineering, procurement and construction (EPC) services for nuclear power projects of CGN Group and the Group will be provided by the Group, in the course of provision of services by the Group, the Group received more digitalization services such as DCS supply and joint design services for nuclear islands. When estimating the transaction amount for the above receipt of services, the Group takes reference to the amount and settlement for contracts entered into for similar nuclear power projects in the past. When determining the revised annual caps for the receipt of technical support and maintenance services by our Group for each year from 2025 to 2027, the Group estimated the expected demand for each category of service based on (i) the number

of nuclear units under construction and their digitalization requirements, (ii) the approved R&D budget for technology upgrades, (iii) historical spare parts consumption and planned reserve levels, and (iv) anticipated environmental protection and maintenance needs in line with regulatory standards. These estimates were provided by the companies within our Group primarily based on the settlement arrangement and the continuity of entered contracts, as well as the contract amount of proposed new contracts and the expected settlement arrangement. After consolidation and review by the relevant departments of our Company, the revised annual caps were finalized. Due to differences in contract values and settlement schedules across various types of services, the proportional increases in amounts for each service type are not comparable.

Specific amounts of the major types of business in relation to the Acquisition and impacts in addition to the Acquisition are set out below:

(a) the revised annual cap is increased from the existing approved amount of RMB3,430 million for the year ending December 31, 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 December 31, 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 December 31, 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.

Given the above factors, the Board considers the amounts of the revised cap are fair and reasonable.

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 Latest Practicable Date, 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 the Receipt of Technical Support and Maintenance Services for the years ending December 31, 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.

3. 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. Relevant data basis is in line with the basis used in the quarterly report, interim report and annual report of the Company as disclosed by the end of the first quarter, the first half of the year, the third quarter and the year. In addition, for connected transaction contracts that reach a certain amount to be entered into by the Group, as well as the contracts that are not included in the expected scope when determining that basis of annual caps, the Company will review such contracts before completing the subsequent approval procedures, so as to ensure the accumulated annual incurred amount is within the approved annual cap, or apply for adjustment to the approved annual cap in a timely manner while ensuring the pricing principle of the continuing connected transaction is in line with that as agreed under respective framework agreements.

At the beginning of each year, the Board will review the management of connected transactions of the Company for the prior year. Directors (including independent non-executive Directors) confirm that the Company has formulated appropriate and effective internal control measures with optimal execution.

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 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 for the Receipt of the Technical Support and Maintenance Services under 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.

Board's Approval

On August 27, 2025, the Company convened its Board meeting. As at the date of the aforementioned Board meeting and the Latest Practicable Date, Mr. Yang Changli, Mr. Gao Ligang, Ms. Li Li and Mr. Pang Songtao did not hold shares in the Company. Mr. Yang Changli concurrently served as the chairman of CGN. Mr. Gao Ligang concurrently served as a director and the general manager of CGN. Ms. Li Li concurrently served as a director of CGN. Mr. Pang Songtao concurrently served as the deputy general manager of CGN. The aforementioned directors are the directors who have a conflict of interests in the above Revision of Annual Caps for the Receipt of the Technical Support and Maintenance Services, and have abstained from voting on the resolutions in relation to the Revision of Annual Caps for the Receipt of the Technical Support and Maintenance Services. The Board has considered and approved the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services, which are on normal commercial terms, conducted in the ordinary and usual course of business of the Group, are fair and reasonable as far as the Independent Shareholders concern, and in the interests of the Company and the Shareholders as a whole.

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 whether the connected transactions in respect of the receipt of technical support and maintenance services 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.

The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 38 to 39 of this circular, which contains its recommendation on the Revision of Annual Caps for the Receipt of Technical Support and Maintenance Services. Taking into consideration of the pricing policies of relevant agreements signed, the measures and procedures taken by the Group for the purpose of ensuring strict compliance of pricing policies and relevant transactions are conducted on normal commercial terms without harming the interests of the Company and its minority shareholders, as well as the current appropriate internal control measures, the Independent Non-executive Directors are of the view that the connected transactions in respect of the receipt of technical support and maintenance services by the Group are fair and reasonable as far as the Independent Shareholders are concern, 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 whether the Revision of Annual Caps for the Receipt of Technical Support and Maintenance Services are fair and reasonable, on normal commercial terms, conducted in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

3. To consider and approve the Amendments to and Rename of the Remuneration Proposal for the Directors of the Fourth Session of the Board of Directors and the Supervisors of the Fourth Session of the Supervisory Committee

Reference is made to the circular of the 2023 second extraordinary general meeting of the Company dated August 25, 2023 and relevant announcement on the poll results of the 2023 second extraordinary general meeting dated October 9, 2023, in relation to the Remuneration Proposal for the Directors of the Fourth Session of the Board and the Supervisors of the Fourth Session of the Supervisory Committee.

According to the special resolution under section IV of this circular, the Company proposes to add an employee representative Director and abolish the Supervisory Committee. Therefore, the Company proposes to amend and rename the Remuneration Proposal for the Directors of the Fourth Session of the Board and the Supervisors of the Fourth Session of the Supervisory Committee.

Under the amended proposal, the standards for remuneration of employee representative Director shall be executed in accordance with the remuneration management rules of the Company, and the remuneration proposal for non-employee representative supervisors and employee representative supervisors shall be deleted. The proposal will be renamed as the Remuneration Proposal for the Directors of the Fourth Session of the Board.

According to the Articles of Association, the Board will propose an ordinary resolution at the EGM to approve the amendments to and rename of the aforementioned remuneration proposal.

Connected Persons Required to Abstain from Voting on the Resolutions

CGN is deemed to have a material interest in the Acquisition and the Revision of Annual Caps for the Receipt of Technical Support and Maintenance Services. 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 Latest Practicable Date, CGN holds 29,736,876,375 Shares of the Company, 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 Revision of Annual Caps for the Receipt of Technical Support and Maintenance Services. As of the Latest Practicable Date, 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 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 Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed in this circular, no Shareholder is required to abstain from voting on other resolutions proposed at the EGM. For details on shareholdings of CGN in the Company, please refer to "V. THE EGM AND THE H SHAREHOLDERS' CLASS MEETING" of the Letter Form the Board and Appendix I of this circular.

IV. SPECIAL RESOLUTION

To consider and approve the Abolishment of the Supervisory Committee and Amendments to the Articles of Association, the Procedural Rules of General Meeting and the Procedural Rules of the Board of Directors

In order to comply with regulatory requirements, the Company proposes to amend certain articles under the existing Articles of Association (the "**Articles of Association**"), the Procedural Rules of General Meeting of CGN Power Co., Ltd.* (the "**Procedural Rules of General Meeting**") and the Procedural Rules of the Board of Directors of CGN Power Co., Ltd.* (the "**Procedural Rules of the Board of Directors**") pursuant to the Company Law of the People's Republic of China (2023 Revision) (《中華人民共和國公司法(2023年修訂)》 (the "**Company Law**", effective from July 1, 2024), the Decision of the State Council to Repeal Certain Administrative Regulations and Documents (2023) (《國務院關於廢止部分行政法規和檔的決定(2023)》), the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (2023) (《境內企業境外發行證券和上市管理試行辦法(2023)》), the Transitional Arrangements for the Implementation of the Supporting Rules of the New Company Law (2024) (《關於新<公司法>配套制度規則實施相關過渡期安排(2024)》), the Guidelines for the Articles of Association of Listed Companies (2025 Revision) (《上市公司章程指引(2025年修訂)》), the Regulatory Guidelines for Listed Companies No.3 – Cash Dividends by Listed Companies (2025 Revision) (《上市公司監管指引第3號–– 上市公司現金分紅(2025修訂)》), the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2025 Revision) (《深圳證券交易所股票上市規則(2025年修訂)》), and the Listing Rules and other laws, regulations and regulatory documents, as well as the specific circumstances of the Company. After amendment, the Chinese name of the Procedural Rules of General Meeting will be renamed as "《中國廣核電力股份有限公司股東會議事規則》", while the English name will remain unchanged; the Supervisory Committee will be abolished, and its duties and powers as stipulated in the Company Law will be exercised by the Audit and Risk Management Committee of the Board; the Procedural Rules of the Supervisory Committee of the Company and other policies related to the Supervisory Committee will be repealed accordingly. The relevant proposed amendments are as follows:

I. the term "shareholders' general meeting" will be all revised to "general meeting";

II. All references to "supervisor(s)" and "Supervisory Committee" will be removed. The duties of the "Supervisory Committee" will be all reassigned to the "Audit and Risk Management Committee of the Board"; and

III. Apart from the adjustments mentioned above, other amendments are detailed in Appendix I, Appendix II and Appendix III of this circular, with corresponding adjustments to the numbering and cross-reference of the articles.

The proposed amendments to the Articles of Association, the Procedural Rules of General Meeting and the Procedural Rules of the Board of Directors shall be subject to review by Shareholder of the Company at the EGM, and the amendments to Articles 16, 120 to 127 of the Articles of Association and Articles 6, 15, 22, 23, 33, 49 and 50 of the Procedural Rules of General Meeting shall be subject to review at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company, respectively, and be approved by way of special resolution, which shall take effect and be implemented after the review and approval. Save for the articles that are proposed to be amended, the other articles of the Articles of Association, the Procedural Rules of General Meeting and the Procedural Rules of the Board of Directors shall remain unchanged.

V. THE EGM AND THE H SHAREHOLDERS' CLASS MEETING

The Company will convene the EGM and the H Shareholders' Class Meeting at 2:30 p.m. on Thursday, October 16, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC to consider and, if thought fit, to pass resolutions in respect of the matters set out in the notices of the EGM and the H Shareholders' Class Meeting. A form of proxy and a reply slip have been published on the Company's website and the HKEXnews website of the Hong Kong Stock Exchange on September 18, 2025. The notices of the EGM and the H Shareholders' Class Meeting are set out on pages EGM-1 to HCM-3 of this circular.

In accordance with Rule 14A.36 of the Hong Kong Listing Rules, any connected person who has material interests in such connected transactions must abstain from voting on relevant resolutions at the EGM. As at the Latest Practicable Date, CGN holds 29,736,876,375 Shares in the Company, representing approximately 58.89% of the total issued Shares, and therefore CGN shall abstain from voting on the resolutions in respect of Acquisition and the non-exempt continuing connected transactions at the EGM. To the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, there is (i) no shareholding trust or other agreement or arrangement or intention entered into by its ultimate beneficial owners and their respective associates which is binding upon them; and (ii) no obligation or entitlement of its ultimate beneficial owners and their respective associates as at the Latest Practicable Date, whereby they have or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis.

Whether or not you are able to attend and/or vote at the EGM and the H Shareholders' Class Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the EGM and/or the H Shareholders' Class Meeting (in person or by proxy), you are required to complete and return the accompanying reply slip(s) to the H Share Registrar on or before Friday, September 26, 2025.

If you intend to appoint a proxy to attend the EGM and/or the H Shareholders' Class Meeting, you are required to complete and return the accompanying form(s) of proxy in accordance with the instructions printed thereon. For H Shareholders, the form(s) of proxy should be returned to the H Share Registrar, namely Computershare Hong Kong Investor Services Limited, in person or by post as soon as possible and in any event not less than 24 hours before the time appointed for holding the EGM and/or the H Shareholders' Class Meeting or any adjourned meeting thereof.

Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM and/or the H Shareholders' Class Meeting or any adjourned meeting, and completion and return of the reply slip(s) do not affect the right of a Shareholder to attend and vote at the respective meeting.

A Shareholder can vote on-site or by proxy, or through the Internet. For the voting method and registration method of participating in the EGM and/or the A Shareholders' Class Meeting, please refer to the relevant announcement of the Company dated September 18, 2025 as published on the website of the Shenzhen Stock Exchange.

Voting by Poll at the EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM and the H Shareholders' Class Meeting must be taken by poll. The chairman of the EGM and the H Shareholders' Class Meeting will therefore demand a poll for every resolution proposed at the EGM and the H Shareholders' Class Meeting pursuant to Article 97 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) at the EGM and the H Shareholders' Class Meeting shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote is not required to use all his/her votes or cast all the votes he/she has in the same manner.

Closure of Register of Members and Eligibility for Attending and Voting at the EGM and the H Shareholders' Class Meeting

In order to ascertain the entitlements of the Shareholders to attend and vote at the EGM and the H Shareholders' Class Meeting, the register of H Shareholders of the Company will be closed from Tuesday, September 16, 2025 to Thursday, October 16, 2025 (both days inclusive), during which period no transfer of H Shares will be effected. Shareholders whose names appear on the register of members of the Company on Tuesday, September 16, 2025 will be entitled to attend and vote at the EGM and the H Shareholders' Class Meeting.

To be eligible to attend and vote at the EGM and the H Shareholders' Class Meeting, all transfer documents of H Shares together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar, namely Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, September 15, 2025.

VI. RECOMMENDATIONS

The Board (including the independent non-executive Directors) is of the view that the resolutions to be proposed at the EGM and the H Shareholders' Class Meetings are in the interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of all the resolutions to be proposed at the EGM and the H Shareholders' Class Meetings.

VII. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information set out in Appendix I to Appendix VIII to this circular.

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

The PRC, September 18, 2025

* *For identification purpose only*

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)

To Independent Shareholders

Dear Sir or Madam,

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

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on the fairness and rationality of the terms of the Equity Transfer Agreement and the transactions contemplated thereunder, and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement, the details of which are set out in the "Letter from the Board" of this circular (the "**Circular**") of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

Anglo Chinese Corporate Finance, Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (a) the terms of the Share Transfer Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement are conducted on normal commercial terms; (b) the terms of the Share Transfer Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services under the 2025-2027 Technical Support and Maintenance Services Framework Agreement and the transactions thereunder are conducted in the ordinary and usual course of business of the Company, and are fair and reasonable as far as the Independent Shareholders concern; and (c) the Share Transfer Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services under the 2025-2027 Technical Support and Maintenance Services Framework Agreement are in the interests of the Company and its Shareholders as a whole.

Your attention is drawn to the "Letter from the Board" as set out on pages 6 to 37 of the Circular, which contains, *inter alia*, information about the terms of the Share Transfer Agreement and the transactions contemplated thereunder, the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement, as well as the "Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders" as set out on pages 40 to 73 of the Circular, which contains the terms of the Equity Transfer Agreement and the transactions contemplated thereunder, the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement and the major factors under consideration for reaching their opinions.

Having considered the terms of the Equity Transfer Agreement, the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services under the 2025-2027 Technical Support and Maintenance Services Framework Agreement, as well as the opinions of the Independent Financial Adviser, we are of the view that the Acquisition and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement are on normal commercial terms, and are conducted in the ordinary and usual course of business of the Group. We also are of the view that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder, and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of relevant resolutions to be proposed at the EGM to approve the Acquisition, and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services by the Group under the 2025-2027 Technical Support and Maintenance Services Framework Agreement.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Wong Ming Fung	**Li Fuyou**	**Xu Hua**
Independent	*Independent*	*Independent*
Non-executive Director	*Non-executive Director*	*Non-executive Director*

September 18, 2025

* *For identification purpose only*

The following is the text of the letter from Anglo Chinese to the Independent Board Committee and the Independent Shareholders, prepared for the purpose of inclusion in this circular.

ANGLO CHINESE
CORPORATE FINANCE, LIMITED
40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong
www.anglochinesegroup.com
財務顧問有限公司 英高

To the Independent Board Committee
and the Independent Shareholders

September 18, 2025

Dear Sirs,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the disclosable and connected transactions contemplated under the Share Transfer Agreement, as well as 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. Details of which, amongst other things, are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated September 18, 2025 (the "**Circular**"), of which this letter forms part. Terms defined in this Circular shall have the same meanings when used in this letter unless the context requires otherwise.

On August 27, 2025, the Company exercised the acquisition rights in respect of the Share Interests, and the Company (as the purchaser) entered into the Share Transfer Agreement with CGN (as the vendor). Pursuant to the Share Transfer Agreement, the 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. As one of the conditions as set out in the 2024 annual report of the Company, the Independent Non-executive Directors have reviewed, considered and approved the exercise of the acquisition right. Following completion of the Acquisition, the Target Companies will become subsidiaries of the Company, and their financial results will be consolidated into the financial statements of the Group.

Upon the approval of the Board, the Company entered into the 2025-2027 Technical Support and Maintenance Services Framework Agreement with CGN on October 23, 2024. 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, the Company 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.

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 disclosable transaction on the part of the 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 Latest Practicable Date, CGN, which holds 58.89% of the issued share capital of the Company, is the Controlling Shareholder of the Company. Under Rule 14A.07 of the Listing Rules, CGN is a connected person of the Company. Therefore, the Acquisition constitutes a connected transaction on the part of the 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.

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 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 under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the Independent Non-executive Directors, was established to consider the terms of the Share Transfer Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Service and to advise the Independent Shareholders on whether the Share Transfer Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Service are in the interests of the Company and the Shareholders as a whole, and whether the terms of the Share Transfer Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Service are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and to advise the Independent Shareholders on how to vote on the

relevant resolution to be proposed at the EGM. We, Anglo Chinese Corporate Finance, Limited, have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Share Transfer Agreement and the Acquisition contemplated thereunder. Save for this appointment, there was no other engagement between the Company and us in the past two years. Apart from normal advisory fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion, we consider that we have reviewed, among others, (i) the Share Transfer Agreement; (ii) the 2025-2027 Technical Support and Maintenance Services Framework Agreement and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Service; (iii) the annual report of the Company for the year ended December 31, 2024; (iii) the interim results announcement of the Company for the six months ended June 30, 2025; (iv) the financial information of the Target Companies; and (v) the Valuation Reports of the Target Companies prepared by the Valuer as at the Valuation Benchmark Date, a summary of which is set out in Appendix II to Appendix V of the Circular. We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Hong Kong Listing Rules including the notes thereto to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the information, statements, opinion and representations contained or referred to in this Circular and all information and representations which have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so at the date hereof. We have also assumed that all statements of belief, opinion and intention of the Directors as set out in the Letter from the Board contained in this Circular were reasonably made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in this Circular.

The Company confirmed that they have provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of the information contained in this Circular so as to provide a reasonable basis of our opinion. We have no reason to suspect that any material facts or information, which is known to the Company, have been omitted or withheld from the information supplied or opinions expressed in this circular nor to doubt the

truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, carried out any independent verification on the information provided to us by the Directors, nor have we conducted any form of independent in-depth investigation into the business and affairs or the prospects of the Company, CGN or any of their respective subsidiaries or associates.

BACKGROUND INFORMATION OF THE ACQUISITION

Information of 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 Latest Practicable Date, CGN held approximately 58.89% of the issued share capital of the Company and is the Controlling Shareholder of the Company.

Information of the Company

The 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.

Set out below are the summarised audited annual financial information of the Group for the two financial years ended December 31, 2023 and 2024 (the "**FY2023**" and "**FY2024**", respectively) and the unaudited interim financial information for the six months period ended June 30, 2024 and 2025 (the "**1H2024**" and "**1H2025**", respectively), as extracted from the Company's annual report 2024 and interim results announcement 2025:

Consolidated Income Statement	**For the year ended December 31,**		**For the six months ended June 30,**	
	2023	**2024**	**2024**	**2025**
			(Unaudited and	
(RMB million)	*(Audited)*	*(Audited)*	*restated)*	*(Unaudited)*
Operating revenue	**82,549**	**86,804**	**39,376**	**39,167**
Operating profit	**20,594**	**21,974**	**12,993**	**11,115**
Net profit from continuing operation	**17,046**	**17,444**	**10,851**	**8,830**

FY2024 vs FY2023

Operating revenue of the Group amounted to approximately RMB86,804 million for FY2024, representing an increase of approximately 5.2% compared to approximately RMB82,549 million for FY2023. Growth in sales of electricity which comprised approximately 76.0% of operating revenue; and construction, installation and design services comprised approximately 21.4% of operating revenue served as the main contributor to the increased revenue. The Company has indicated that the drivers for the growth in sales of electricity came from the approximately 6.8% year-on-year increase in total electricity consumption in the PRC and approximately 6.13% year-on-year increase in on-grid power generation. Provision of construction, installation and design services were mainly transacted with related parties. Revenue of which was measured in terms of progress towards completion.

Operating profit of the Group amounted to approximately RMB21,974 million for FY2024, representing an increase of approximately 6.7% compared to approximately RMB20,594 million for FY2023, driven mainly by reduced finance cost, increased investment income and other gains including VAT refunds and non-recurring other government grants.

Net profit from continuing operation of the Group amounted to approximately RMB17,444 million for FY2024, representing an increase of approximately 2.3% compared to approximately RMB17,046 million for FY2023.

1H2025 vs 1H2024

Operating revenue of the Group amounted to approximately RMB39,167 million for 1H2025, representing a decrease of approximately 0.5% compared to approximately RMB39,376 million for 1H2024. The decrease in revenue was primarily due to (i) the approximately 4.8% year-on-year decrease in construction, installation and design services; and (ii) the approximately 40.1% year-on-year decrease in the rental income of the offshore wind power installation platform of the Group, partly offset by the approximately 0.9% year-on-year increase in sales of electricity.

Operating profit of the Group amounted to approximately RMB11,115 million for 1H2025, representing a decrease of approximately 14.5% compared to approximately RMB12,993 million for 1H2024, mainly attributable to approximately 11.7% year-on-year increase in cost of sales of electricity.

Net profit from continuing operation of the Group amounted to approximately RMB8,830 million for 1H2025, representing a decrease of approximately 18.6% compared to approximately RMB10,851 million for 1H2024.

Set out below are the summarised audited financial position of the Group as at December 31, 2023 and 2024, respectively, and the unaudited financial position of the Group as at June 30, 2025 as extracted from the Company's 2024 annual report and 2025 interim results announcement:

	As at December 31,		As at June 30,
Consolidated Balance Sheet	**2023**	**2024**	**2025**
		(Audited and	
(RMB million)	*(Audited)*	*restated)*	*(Unaudited)*
Total assets	**415,250**	**426,662**	**436,768**
– Non-current assets	342,463	351,154	356,233
– Current assets	72,787	75,507	80,534
Total liabilities	**249,946**	**253,147**	**263,052**
– Non-current liabilities	172,559	169,673	174,047
– Current liabilities	77,388	83,475	89,006
Total equity attributable to Shareholders of the parent company	**113,235**	**120,639**	**120,697**

December 31, 2024 vs December 31, 2023

The Group's total assets increased by approximately 2.77% from approximately RMB415,250 million as at December 31, 2023 to approximately RMB426,662 million as at December 31, 2024. Such increase in total assets was mainly attributable to (i) an increase of approximately 6.4% in receivables from approximately RMB33,922 million as at December 31, 2023 to approximately RMB36,094 million as at December 31, 2024; and (ii) an increase of approximately 6.3% in fixed assets and intangible assets from approximately RMB252,129 million as at December 31, 2023 to approximately RMB267,912 million as at December 31, 2024, partly offset by an approximately 1.3% decrease in inventories from approximately RMB20,573 million as at December 31, 2023 to approximately RMB20,303 million as at December 31, 2024.

The Group's total liabilities increased by approximately 1.3% from approximately RMB249,946 million as at December 31, 2023 to approximately RMB253,147 million as at December 31, 2024. The increase in total liabilities was mainly attributable to an increase of approximately 7.0% in payables from approximately RMB37,823 million as at December 31, 2023 to approximately RMB40,465 million as at December 31, 2024, partly offset by a decrease of approximately 0.5% in bank and other borrowings from approximately RMB199,313 million as at December 31, 2023 to approximately RMB198,311 million as at December 31, 2024.

The Group's total equity attributable to Shareholders of the parent company increased by approximately 6.5% from approximately RMB113,235 million as at December 31, 2023 to approximately RMB120,639 million as at December 31, 2024. The increase in total equity attributable to Shareholders of the Company was mainly attributable to an approximately 13.1% increase in retained earnings partly offset by an approximately 53% decrease in specific reserve.

June 30, 2025 vs December 31, 2024

The Group's total assets increased by approximately 2.4% from approximately RMB426,662 million as at December 31, 2024 to approximately RMB436,768 million as at June 30, 2025. Such increase in total assets was mainly attributable to (i) an increase of approximately 3.6% in receivables from approximately RMB36,094 million as at December 31, 2024 to approximately RMB37,380 million as at June 30, 2025; and (ii) an increase of approximately 4.0% in inventories from approximately RMB20,303 million as at December 31, 2024 to approximately RMB21,119 million as at June 30, 2025, partly offset by a decrease of approximately 1.8% in fixed assets and intangible assets.

The Group's total liabilities increased by approximately 3.9% from approximately RMB253,147 million as at December 31, 2024 to approximately RMB263,052 million as at June 30, 2025. The increase in total liabilities was mainly attributable to an increase of approximately 5.2% in bank and other borrowings from approximately RMB198,311 million as at December 31, 2024, to approximately RMB208,621 million as at June 30, 2025, partly offset by a decrease of approximately 0.4% in payables.

The Group's total equity attributable to Shareholders of the Company increased by approximately 0.05% from approximately RMB120,639 million as at December 31, 2024, to approximately RMB120,697 million as at June 30, 2025.

Information on 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 or the "**China Datang**"), 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. As at the Latest Practicable Date, both Units 1 and 2 of Huizhou Project Phase I have not yet put into commercial operation, and are expected to put into commercial operation in the second half of 2025 and the first half of 2026, respectively. It is expected that the total investment for Huizhou Project Phase I will be

approximately RMB44.235 billion. As at the Valuation Benchmark Date, being February 28, 2025, the investment made to Huizhou Project Phase I amounted to approximately RMB40.317 billion, and approximately RMB3.918 billion to be invested subsequent to the Valuation Benchmark Date.

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

Information on 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. It is expected that the total investment for Huizhou Project Phase II will be approximately RMB41.529 billion. As at the Valuation Benchmark Date, being February 28, 2025, the investment made to Huizhou Project Phase II amounted to approximately RMB6.6 billion, and approximately RMB34.929 billion to be invested subsequent to the Valuation Benchmark Date.

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

Information on 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 Latest Practicable Date, 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 February 16, 2025 up to the period ended February 28, 2025. The nuclear power project to be invested and developed by Huizhou No. 3 Nuclear Power has not yet been approved. Hence, the capital expenses for the nuclear power project cannot be reasonably estimated as at the Latest Practicable Date.

Information on 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 Latest Practicable Date, 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 February 28, 2025. The nuclear power project to be invested and developed by Zhanjiang Nuclear Power has not yet been approved. Hence, the capital expenses for the nuclear power project cannot be reasonably estimated as at the Latest Practicable Date.

Industry Overview

Supported by strong and clear national policies outlined in the 14th Five-Year Plan (「十四五」規劃) and reinforced through the Energy Law of the People's Republic of China (中華人民共和國能源法) in November 2024, China's nuclear power industry has maintained steady growth in both installed capacity and electricity generation over the past few years. According to the National Energy Administration (the "**NEA**"), China's operational nuclear power installed capacity and those under construction has exceeded 120 million kilowatts. In 2024, China's nuclear power generation reached 450.9 billion kilowatt-hours, marking a 3.7% year-on-year increase and accounting for 4.5% of the country's total electricity production. It resulted in an equivalent reduction of approximately 140 million tonnes of standard coal consumption and about 370 million tonnes of carbon dioxide emissions, according to the data published by NEA. As a result, China's nuclear power capacity and output have consistently increased, reflecting both policy effectiveness and operational stability.

According to "The Status, Tendency and Prospects of Nuclear Energy Development in Chinese Mainland" (中國核能發展報告(2025)) issued by the China Nuclear Energy Association (the "**CNEA**"), as of the end of 2024, mainland China had 57 operational nuclear reactors totalling approximately 60 gigawatts (GW) of installed capacity, ranking third globally. With 28 more units under construction and numerous approved projects, China leads the world in the scale of nuclear power development. Technologically, China has made significant strides toward self-reliance, commercialising its domestically developed third-generation reactors such as "Hualong One" and "Guhe One", achieving full localisation of critical equipment. The industry is also progressing on fourth-generation technologies, thereby strengthening the entire nuclear value chain. Looking ahead, China's nuclear power sector is positioned for rapid and sustained growth. The government targets about 70 GW of operational capacity by 2025. According to CNEA, by 2040, nuclear power is expected to account for approximately 10% of the country's total electricity generation, with installed capacity potentially surpassing 200 GW.

Based on the aforesaid, we understand that China's nuclear power industry is well on track for a fast growth over the coming decades, playing a critical role in the country's energy transition and carbon emission reduction efforts. According to the Company, by June 30, 2025, the installed capacity of nuclear power stations in operation and under construction under the Company's management was around 56,018MW, accounting for 44.46% of the national nuclear power capacity of China. We are advised by the Company that it has strengthened its technological innovation in nuclear energy, implemented dedicated strategic R&D initiatives, actively advanced the development of fourth-generation nuclear power technologies and SMRs, and continuously monitored the latest developments in advanced technologies both domestically and internationally. Having considered the above analysis, we concur with Directors' view that the expansion through the Acquisition could help the Company maintain its leading position in the domestic market and seize the fast growth trend in China's nuclear power industry.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our opinion to the Independent Board Committee and the Independent Shareholders in relation to the Share Transfer Agreement and the Acquisition, we have taken into account the following principal factors and reasons:

SHARE TRANSFER AGREEMENT

Reasons for and benefits of enter into the Share Transfer Agreement

As set out in the Letter from the Board, the Company considers that the Acquisition will bring in the following benefits:

Mitigate potential competition between the Group and CGN

As disclosed in the Company's 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 November 21, 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 the Company 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 Company's 2024 annual report, the Target Companies belong to the retained business. Therefore, the Acquisition will help reduce the potential competition between the Group and CGN.

Capacity expansion to drive growth and market leadership

The Acquisition significantly enhances the Company's scale of operating, constructing, and reserved installed nuclear capacity, accelerating its strategic objective of becoming the sole platform for CGN's nuclear power generation. By expanding its portfolio of both operational units and projects under construction, the Company strengthens its ability to achieve growth in nuclear power generation and overall business performance. This expansion is also a crucial pathway to increasing the Company's market share and consolidating its long-term

competitiveness within the nuclear power industry. Notably, the Acquisition integrates reactors under construction such as the four Hualong One units. As advised by the Company, the Hualong One is a third-generation, one-million-kilowatt-class nuclear power technology with independent intellectual property rights, developed based on more than 30 years of accumulated experience, technology, and talent in the design, construction, operation, and R&D of nuclear power plants in China. The Group has continued to promote design optimisation and technological improvements for the Hualong One, focusing on enhancing its cost-effectiveness, advancement, and localisation. These efforts have laid a solid foundation for improving the competitiveness of the Company's Hualong One technology. Meanwhile, Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power constitute important strategic site reserves, underpinning sustainable long-term capacity growth aligned with China's dual-carbon objectives and broader energy policy commitments favouring nuclear power.

The newly acquired assets will enrich the Company's nuclear power project capacity, with an addition of approximately 7,222MW in aggregate (not including Zhanjiang Nuclear Power Project which is currently in the preliminary development stage) to the 56,018MW installed capacity of the Company's portfolio as disclosed in the Company's interim report. With performance contributions expected from the Huizhou Nuclear Power project commencing commercial operation in 2025 and 2026, the Acquisition facilitates near term earnings growth while underpinning sustainable pipeline for long-term growth in competitiveness. This aligns directly with the Company's goal to consolidate its leading industry status and supports China's national objectives for low-carbon development and energy security, consistent with the Company's commitment to Shareholders regarding steady corporate development and value creation.

Having carefully considered that the Share Transfer Agreement and the Acquisition represents (i) mitigation of industry competition between CGN and the Group; and (ii) a significant enhancement to the Company's portfolio through immediate capacity enhancement and the strengthening of its long-term development pipeline, we are of the view that the Share Transfer Agreement and the Acquisition are fair, reasonable, and in the best interests of the Company and its Shareholders as a whole.

Principal terms of the Acquisition

Date: August 27, 2025

Parties: (1) the Company as purchaser

(2) CGN as vendor

Subject matter:	the 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 the Company to CGN in cash within five business days from the date on which all conditions precedents are fulfilled. The Company intends to satisfy the consideration by the internal resources of the Group.

Further details of the principal terms of the Share Transfer Agreement are set out in the Letter from the Board.

Analysis on the principal terms of the Share Transfer Agreement

Basis of the consideration of the Acquisition

The consideration for the Acquisition of approximately RMB9.38 billion comprising of (i) approximately RMB8.02 billion for 82% of Huizhou Nuclear Power, being 82% of Huizhou Nuclear Power which is valued at RMB9.78 billion; (ii) approximately RMB1.35 billion for 100% of Huizhou No. 2 Nuclear Power; (iii) RMB0 for 100% of Huizhou No. 3 Nuclear Power; and (iv) RMB0 for 100% of Zhanjiang Nuclear Power, was determined based on arms' length negotiations and between the Company and CGN with reference to the valuation of the Share Interest as at the Valuation Benchmark Date as appraised by the Valuer (the "**Appraised Value**").

With a view to evaluate the basis of the Appraised Value of the Share Interests, we have reviewed and discussed the contents of the valuation reports of the Target Companies (the "**Valuation Reports**") and have discussed with the Valuer regarding the valuation of the Target Companies with details set out below, including the Valuer's scope of work and expertise, the methodologies, the valuation assumptions, and the Valuation Benchmark Date, adopted in the Valuation Report. Further details of the Valuation Report are set out in Appendix II to Appendix V of the Circular.

Scope of work and qualifications of the Valuer

The Valuer was engaged to prepare the Valuation Reports which set out as the independent valuation on 100% interest in the Target Companies as at the Valuation Benchmark date (the "**Independent Valuation**"). The Valuation Reports have been prepared in compliance with the relevant professional standards issued by the Ministry of Finance of the PRC and China Appraisal Society.

We have discussed with the Valuer regarding the expertise of the Valuer and the relevant engagement team members. We understand that the Valuer is a qualified PRC asset valuation agency accredited by China Appraisal Society to perform the Independent Valuation and has experience in handling valuation exercises for equity within the PRC and around the world. The 2 responsible signing persons of the Valuation Report have over 8 years' experience in conducting valuation exercises, respectively. We have also enquired with the Valuer and the Valuer confirmed that it is independent from the Company, the Target Companies and CGN and China Datang to perform the Independent Valuation under the relevant professional standards.

We have reviewed the terms of the Valuer's engagement letter as well as the purpose and scopes set out in the Valuation Report. We noted that the scope of work is appropriate for the Valuer to form the opinion required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Valuer.

Valuation methodology

Based on our discussion with the Valuer and review of the Valuation Report, it is noted that the Valuer has concluded the Independent Valuation based on the asset-based approach. We understand that the Valuer has considered the three commonly used valuation approaches for valuation of a company, namely the income approach, the market approach and the asset-based approach:

(1) Income approach: Under the income-approach, the value of a company is appraised 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, after further considering the data quality and the potential changes in macroeconomic factors and government policies, the Valuer is of the view that the asset approach could more fairly reflect the value of Huizhou Nuclear Power for the purposes of this valuation. 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 current in the early construction stage or pre-approval preparation stage or pre-development stage. Therefore, the income approach is not adopted by the Valuer for concluding the value in the Independent Valuation.

(2) Market approach: Under the market approach, the value of a company is appraised based on comparison with comparable companies and/or transactions. 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, constrain the applicability of this approach. For the valuation of Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power, the market approach is not applicable as they have not commenced business operations. Hence, the market approach was not adopted by the Valuer in the Independent Valuation.

(3) Asset-based approach: Under the asset-based approach, the value of a company is appraised based on the value of individual assets and liabilities. 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.

We have evaluated the reasons behind the selection of the asset-based approach as the valuation methodology for the Independent Valuation, including (i) the market approach is not adopted mainly because of the limited number of comparable companies available in the market; (ii) the income approach is not adopted mainly because the Valuer has identified significant uncertainties in the parameters related to the construction, production and economic indicators of such nuclear power project. In particular, the electricity tariff level is heavily influenced by the macroeconomic environment and relevant industry policies in the PRC, and remains subject to potential substantial fluctuations in the foreseeable future, which may lead to considerable uncertainty in the future profitability of such company. As a result, the Valuer is of the view that the aforementioned factors may still have certain impacts on the accuracy of the valuation results obtained by the income approach, while the market value of assets is appraised and estimated from the perspective of asset replacement under asset-based approach, which may give an objective reflection of the market value of the enterprise at the current stage. Based on the above, we concur with the Valuer that the adoption of the asset-based approach is fair and reasonable.

Valuation assumptions

As part of our work performed, we have reviewed the Valuation Report and discussed with the Valuer in respect of the assumptions adopted for performing the Independent Valuation, details of which are set out in Appendix II to Appendix V of the Circular. We understand from the Valuer that the assumptions are commonly adopted in other valuations of similar assets and there is no unusual assumption which has been adopted during the Independent Valuation. We also consider that the assumptions adopted in the Valuation Report are general in nature and we are not aware of any material facts which lead us to doubt the reasonableness of the assumptions adopted by the Valuer.

The Valuation Benchmark Date

According to the Valuation Reports the Valuation Benchmark Date is February 28, 2025. We noted that there is a seven-month period commencing on the Valuation Benchmark Date and ending on the Latest Practicable Date. After discussing the matter with representatives of the Company and reviewing the Share Transfer Agreement, we understand that, during this period, any profits or losses incurred by the Target Companies will be recognised and borne by their original shareholders (i.e., CGN and China Datang) in proportion to their respective equity holdings. Following completion of the Acquisition, the Company will engage an accounting firm to audit the Target Companies to confirm the profits and losses for this period. Given this arrangement, we concur with the Valuer's conclusion that no material adjustments need to be made in the Appraised Value between the Valuation Benchmark Date and the Latest Practicable Date.

Details of valuation

We have reviewed the Valuation Report and discussed with the Valuer regarding its work done to arrive at the valuation of different items. We understand from the Valuer that when performing the Independent Valuation based on asset-based approach, the Valuer categorised the assets and liabilities of the Target Companies into different categories, mainly comprised of fixed assets, construction in progress, intangible assets and other non-current assets, while majority of the liabilities are non-current liabilities.

We noticed and understood from the Valuation Reports that the respective valuation of Huizhou Nuclear Power, Huizhou No. 2 Nuclear Power, Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power were carried on adjusted net assets method ("**Adjusted NAV**"), of which all the subjects' individual asset and liability account categories are analysed and valued separately. The value of the individual assets (both tangible and intangible) less the value of the liabilities (both recorded and contingent) represents the subject business value. The Adjusted NAV is a common method for estimating the value of business which is still under development.

According to the summaries of the Valuation Reports as set out in Appendix II to Appendix V to the Circular, the Appraised Value amounted at approximately RMB9,375 million compared to approximately RMB8,031 million, being the sum of the book values of the Target Companies, representing an appreciation of approximately RMB1,345 million. The appreciation was incurred from Huizhou Nuclear Power and Huizhou No. 2 Nuclear Power, mainly due to appreciation in non-current asset. Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power were both valued at RMB0, mainly because as at the Valuation Benchmark Date, no paid-in capital has been made by CGN, and both Huizhou No. 3 Nuclear Power and Zhanjiang Nuclear Power have not commenced any business operations and have no assets or liabilities.

Details of the key assets and liabilities of the Target Companies based on the asset-based approach valuation are set out below:

i. Buildings

For buildings which were self-constructed for the purpose of own use (such as employee dormitory, office building, and canteen), they were appraised based on replacement cost method (重置成本法). Under the replacement cost method, the Valuer considered the status of the assets and the cost to be incurred to replicate such assets.

For buildings which were acquired from the market, they were appraised based on market comparison method. In arriving at the valuation, the Valuer has identified comparable properties and made adjustments based on transaction status, transaction time, regional factors and other individual factors.

ii. Machineries and equipment

For machineries and equipment, based on the valuation purpose and type of value, and in accordance with the principle of continued use, the Independent Valuation primarily adopts the replacement cost method, using market prices as the basis, combined with the characteristics and conditions of the underlining equipment.

iii. Construction in progress

The construction in progress comprises various expenditures incurred in construction before the asset is ready for use, including but not limited to initiation costs, construction costs, management fees, and other related expenditures. The Valuer conducted interviews with personnel from the finance, investment, and engineering departments of the Target Companies and reviewed relevant accounting records, supporting vouchers, contracts, and payment ledgers to verify the composition of the asset value. For the financing costs incurred during construction, the Valuer recalculated the financing costs based on the verified actual payment amounts.

iv. Intangible assets

The intangible assets mainly included land use rights, the right to use sea areas (海域使用權), software purchased and intellectual property.

For land use rights, the Valuer adopted the market comparison method in the Independent Valuation, which more closely reflects actual transaction values. Under the market comparison method, the Valuer has compared transactions of similar land parcels with the recent period and adjusted the land price based on the differences in transaction status, dates, regions and individual factors.

For the rights to use sea areas (海域使用權), the lack of marketability in Huizhou City rendered the market approach inapplicable. Therefore, the Valuer adopted the cost approach (成本逼近法), which is commonly used for valuing sea area use rights. Under this method, the acquisition cost and related expenses for the subject sea area are summed and adjusted by a correction coefficient for the term of sea area use rights (海域年限使用係數).

For the purchased software, the Valuer determined the appraised value by referencing the market price of the software and consulting the software developer for the price paid by the Target Companies.

For intellectual property, the Valuer employed the cost method for the Independent Valuation, primarily due to the confidentiality of nuclear technology, which precluded the use of market comparisons.

v. Other non-current assets

For other non-current assets, which mainly comprise of long-aged receivables and prepayment. The Valuer sent confirmations for large or long-aged receivables based on the materiality principle and examined on selected samples of relevant contracts. For prepayments, the Valuer verified book value based on the contract terms and the value of goods and services to be received. For recoverable VAT and other deductible items, the Valuer used the verified carrying amount as the valuation reference.

vi. Liabilities

As of the Valuation Benchmark Date, the Target Companies' liabilities included short-term borrowings, accounts payable, employee compensation payable, taxes payable, other payables, non-current liabilities due within one year, and long-term borrowings. The Valuer had verified the book value based on the details and relevant financial information provided by the Target Companies.

Having discussed with the Valuer and reviewed the details of the Valuation Report, we consider the methodologies used for each component constituting the Adjusted NAV are appropriate and align with normal market practice:

Building, machineries and equipment	We consider the replacement cost method is appropriate for self-constructed, owner-occupied buildings and machinery/equipment where direct comparables are lacking; we have further reviewed the detailed variables, including the replacement cost and the newness rates as applied to Huizhou Nuclear Power and Huizhou No. 2 Nuclear Power and adopted by the Valuer. For market-acquired properties and land use rights with observable transactions, the use of the market comparison approach, taking into account of the location, size, usage conditions and other relevant factors, is appropriate and consistent with normal market practice.
Construction in progress	We consider the verification against records/contracts/paid progress payments and a prudence-based recalculation of fund costs using reasonable schedules and interest parameters – aggregating EPC turnkey items not yet finally settled – are reasonable for long-cycle nuclear projects and support the observed appraised uplifts for Phase I and Phase II.
Sea-area use rights	For sea-area use rights with limited marketability and no standalone income, a cost-approximation method adjusted under the Technical Specification for Sea Area Price Assessment for development interests, profit and value-added income is a recognised surrogate where market and income methods are inapplicable, consistent with the premia over one-off royalty book values in the reports.

Intangible assets	For purchased software, market benchmarking to prevailing licence pricing and vendor/developer confirmations is reasonable. For proprietary IP without observable comparables and with R&D embedded in CIP, a cost approach on a continued-use premise is acceptable within the asset-based framework.
Other non-current assets and liabilities	For other non-current assets and liabilities (including right-of-use assets and interest-bearing debts), the verification and carryover of book amounts where appropriate accord with an asset-based approach and the stated general and special assumptions.

Based on our review of the foregoing, no matters have come to our attention that cause us to question the appropriateness of the methodologies or the resulting appraised values. We are therefore of the view that the methodologies adopted by the Valuer are fair and reasonable, and, considering our other assessments of the Valuer's scope of work and qualifications and our independent cross-checks as set out below, we consider that the appraised value is no less favourable to the Company than would reasonably be expected under normal market conditions.

For the purpose of further assessing the result of the Independent Valuation prepared by the Valuer, we have undertaken a cross-check by reviewing valuation multiples of comparable companies principally engaged in the nuclear power generation business and listed in Hong Kong or mainland China (the "**Comparable Companies**"). We note that the Company and China National Nuclear Power Co., Ltd. ("**CNNPC**", 601985.SH), a subsidiary of China National Nuclear Corporation ("**CNNC**"), are, on an exhaustive basis, the only two publicly listed companies in these markets principally engaged in nuclear power generation with operations and asset bases comparable to the Target Companies.

Given that the consideration for the Acquisition pertains to assets which had not commenced commercial operations during the latest full financial year under review, we consider price-to-earnings ("**P/E**") multiples to be inappropriate for cross-checking purposes. Instead, we emphasise the price-to-book ("**P/B**") ratio as a more relevant metric in evaluating investment value given the capital-intensive nature of the business and accounting for developmental stage. Below set out the calculation of the P/B ratio of the Comparable Companies and the calculation of the implied P/B ratio for the Transaction:

			As at the Latest Practicable Date		
Company name	**Stock code**	**Company description**	**Market capitalisation** *(RMB' Million)*	**NAV attributable to Shareholders** *(RMB' Million)*	**P/B ratio** *(Note 1)*
CGN Power Co., Ltd.	1816.HK/ 003816.SH	CGN Power Co., Ltd. operates and manages nuclear power generating stations. The company operate and manages nuclear power stations, sell electricity, nuclear power stations construction manages, and other services.	174,921	120,697	1.45x
China National Nuclear Power Co., Ltd.	601985.SH	China National Nuclear Power Co., Ltd. is a nuclear energy power producer. The company invests in, constructs, manages and operates nuclear power plants throughout China.	181,615	113,269	1.60x

	Consideration *(RMB' Million)*	**Appraised Value** *(RMB' Million)*	**Implied P/B ratio – Appraised Value basis** *(Note 2)*
The Acquisition	9,375	9,375	1.00x

	Consideration *(RMB' Million)*	**Original Book Value** *(RMB' Million)*	**Implied P/B ratio – net book value basis** *(Note 3)*
	9,375	8,031	1.17x

Source: Bloomberg, Valuation Reports and the interim reports of the Comparable Companies.

Notes:

1. The P/B ratio of the Comparable Companies is calculated by way of dividing the market capitalisation by the latest published NAV attributable to Shareholders of the relevant companies on the Latest Practicable Date.

2. The implied P/B ratio – Appraised Value basis of the Acquisition is calculated by way of dividing the consideration of the Acquisition by the Appraised Value of the Target Companies as at the Valuation Benchmark Date.

3. The implied P/B ratio – net book value basis of the Acquisition is calculated by way of dividing the consideration of the Acquisition by the sum of audited net book values of the Target Companies before appraisal.

Based on the latest available financial statements and closing prices as of Latest Practicable Date, the P/B ratios for the Company and CNNPC are approximately 1.45x and 1.60x, respectively. As the consideration for the Acquisition has been determined with reference to the Appraised Value of the Target Companies, which was assessed under the asset-based approach and represents the fair value of the net assets of the Target Companies, we note that the implied P/B ratio for the Acquisition is effectively 1.0x, should we use sum of the audited net book values of the Target Companies before appraisal, the implied P/B would be 1.17x. Both implied P/B multiple are therefore below the levels observed for these Comparable Companies, indicating a valuation that is conservative relative to market benchmarks, and the consideration for the Acquisition reflects the appraised fair value of the underlying net assets without premium or discount. Given (i) the limited number of Comparable Companies; and (ii) the business nature of the Company and CNNPC as compared with the Target Companies as a whole, we consider the Company and CNNPC are fair and representative samples for the purpose of providing additional information to the Independent Shareholders and as an alternative assessment to cross-check the result of the valuation.

It is important for the Independent Shareholders to note that (i) the business and financial aspects and prospects of the Target Companies, the Company and CNNPC may not be identical; and (ii) the number of market comparable companies is limited, therefore the price ratio analysis is only for general assessment, where the primary reference of the consideration for the Acquisition shall be the Valuation, given the Valuation prepared by an independent professional valuer has taken into account the individual circumstances of each of the Target Companies.

Taking into account the above work and steps we have conducted in relation to the relevant Valuation Report, including but not limited to (i) interviewing the Valuer as to its expertise and its independence; (ii) reviewing the terms of engagement of the Valuer and assessing the appropriateness of its scope of work; (iii) review and assessment on the reasonableness of the valuation methodologies, basis and assumptions being adopted in the Valuation Report; (iv) reviewing the management accounts of the Target Companies; (v) cross-checking of the Valuation and consideration for the Acquisition through our independent research; and (vi) the consideration for the Acquisition is align with the market value of the Share Interest, we consider the consideration for the Acquisition is fair and reasonable, and the Appraised Value is no less favourable to the Company than could reasonably be expected under normal market conditions.

PROPOSED REVISED ANNUAL CAPS FOR THE RECEIPT OF TECHNICAL SUPPORT AND MAINTENANCE SERVICES

Reasons for and benefits for the Non-exempt Continuing Connected Transaction

The Company entered into the Technical Support and Maintenance Services Framework Agreement with CGN on November 21, 2014 and has further completed three renewals of the said agreement with an expiry date on December 31, 2024. The Company entered into the 2025-2027 Technical Support and Maintenance Services Framework Agreement with CGN on October 23, 2024, 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.

As set out in the Letter from the Board, 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 the Target Companies will constitute continuing connected transactions of the Group.

As advised by the representative of the Company, based on the actual business operation need, it is anticipated that following the completion of the Acquisition, 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.

As further advised by the representatives of the Company, the 2025-2027 Technical Support and Maintenance Services Framework Agreement do not prevent the Group from obtaining technical support and maintenance services from independent third parties or other connected persons. Therefore, the Group may (but is not obliged to) continue obtaining technical support and maintenance services from CGN.

Having considered, in particular, commercial benefits such as cost savings and continued technological support for adopting CGN technology and expertise, (i) the 2025-2027 Technical Support and Maintenance Services Framework Agreement is likely to provide stability and reliability in obtaining technical support and maintenance services to the Group due to the long-established relationship between the Group and CGN; (ii) the Group may (but is not obliged to) continue obtaining technical support and maintenance services from the CGN Group; and (iii) the terms of the 2025-2027 Technical Support and Maintenance Services

Framework Agreement and the Revised Technical Support Annual Caps are fair and reasonable as discussed below, we are of the view that entering into the Non-exempt Continuing Connected Transaction is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Non-exempt Continuing Connected Transaction

We understand from the Letter from the Board that, save for the amendments to reflect the Revised Technical Support Annual Caps, there is no other changes to the terms and conditions, such as the scope of service and pricing principles, of the 2025-2027 Technical Support and Maintenance Services Framework Agreement.

We are advised by the representatives of the Company that, 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 labour; 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.

We are also advised by the representatives of the Company that, in addition to the aforesaid pricing principles, the following guiding principles shall apply to the pricing of services contemplated under the 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;

(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;

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

Further details of the pricing policy of the Non-exempt Continuing Connected Transaction are set out in the Letter from the Board.

In respect of the internal control measures for the Non-exempt Continuing Connected Transaction, we note that, among other things,

(i) for government price, the 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;

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

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

(iv) in accordance with the Listing Rules, (a) the external auditor of the 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 receipt of goods or services by the Group, to confirm whether it is aware of any matters that, in its opinion, the continuing connected transactions are not in compliance with the Group's pricing policy in all material respect; and (b) 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.

Further details of the internal control measures of the Non-exempt Continuing Connected Transaction are set out in the Letter from the Board.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and provide confirmations regarding the continuing connected transactions of the Company each year. As advised by the representatives of the Company, the independent non-executive Directors have reviewed the continuing connected transactions under the previous 2022-2024 Technical Support and Maintenance Services Framework Agreement and confirmed that the transactions were entered into in accordance with Rule 14A.55 of the Listing Rules. We have also obtained the independent auditor's assurance report in respect of the disclosed continuing connected transactions of the Company and note that the auditor of the Company has reviewed the continuing connected transactions under the previous 2022-2024 Technical Support and

Maintenance Services Framework Agreement and provided its confirmations. As confirmed with the Company, the Company will continue to comply with the relevant annual review requirement under the Listing Rules on an on-going basis.

For our due diligence purpose, we have reviewed a total of six service contracts (two randomly selected service contracts under each pricing principles) of transactions to be contemplated under the 2025-2027 Technical Support and Maintenance Services Framework Agreement. Based on our review, we understand the sample transactions with CGN Group had adhered to the pricing policies aforementioned, given (i) for the government price principle, we have reviewed the pricing of the sample transactions with CGN, and we have also reviewed the relevant government price document, where we noted that the pricing of the sample transactions with CGN Group had made reference to such relevant government price, which complied with the government price principle stipulated under the 2025-2027 Technical Support and Maintenance Services Framework Agreement; (ii) for the market price principle, we have reviewed the pricing of the sample transactions with CGN, and we have also reviewed the relevant pricing document offered by Independent Third Party, where we noted that the pricing of the sample transactions with CGN were no less favourable to the Group when compared to the pricing with Independent Third Party, which complied with the market price principle stipulated under the 2025-2027 Technical Support and Maintenance Services Framework Agreement; and (iii) for the agreed price principle, we have reviewed the cost plus margin of the sample transactions with CGN Group, and we have also reviewed the relevant margin offered by Independent Third Party, where we noted that the cost plus margin of the sample transactions with CGN Group was no less favourable to the Group when compared to the margin with Independent Third Party, which complied with the agreed price principle stipulated under the 2025-2027 Technical Support and Maintenance Services Framework Agreement.

We have obtained and reviewed the Standard Values for Enterprise Performance Evaluation (《企業績效評價標準值》) for 2024 published by the SASAC referred to in the Letter from the Board. We have also considered other publications by SASAC which recognise CGN as one of the leading central state-owned enterprises in China, including its ranking of 17th among A-rated State-owned enterprises in the operational performance assessments from 2022 to 2024. Taking into account that CGN has achieved an A rating, the highest rating, for twelve consecutive years, and that the other State-owned enterprises in list are also flagship SOEs in China, we concur with the Board that the proposed profit ratio is in line with, or more favourable than, the respective industry benchmarks and, accordingly, is fair and reasonable and in the interests of the Company and its Shareholders.

In addition to the above, we were advised by representatives of the Company that the Company's audit department conducts internal audits on a semi-annual basis to monitor whether the connected transactions of the Group are conducted according to the internal control measures, to ensure the aggregate transaction amounts under the 2025-2027 Technical Support and Maintenance Services Framework Agreement are within the annual caps. In addition, prior to the revision of the Revised Technical Support and Maintenance Annual Caps, the Company revised its estimates for the specific continuing connected transactions (the "**Specific CCT(s)**") expected to be contemplated under the original 2025-2027 Technical Support and Maintenance Services Framework Agreement for the 2025 -2027 period, including the nature of the transactions and their total estimated volume (the "**Estimates**"). In practice, if any new Specific CCTs arise that are not covered by the Estimates, the audit department will conduct a further review and approval process to ensure that these transactions are conducted in accordance with the requirement of the Non-exempt Continuing Connected Transaction and do not exceed the Revised Technical Support and Maintenance Annual Caps.

For our due diligence purpose, we have obtained and reviewed the first quarter review report of the continuing connected transactions contemplated under the 2025-2027 Technical Support and Maintenance Services Framework Agreement as well as two randomly selected quarterly review report of the continuing connected transactions contemplated under the 2022-2024 Technical Support and Maintenance Services Framework Agreement. We have also obtained and reviewed three randomly selected contracts that are not covered in the previous Estimates prepared for the 2022-2024 Technical Support and Maintenance Services Framework Agreement that are contemplated in FY2024, together with the supporting and approval documentation reviewed or approved by the audit department. Based on our review on these materials, we are not aware of any internal control deficiencies in respect of these control measurements.

Having considered, in particular, (i) our review of the pricing terms of 2025-2027 Technical Support and Maintenance Services Framework Agreement, which shall in essence be no less favourable than those offered by the Independent Third Parties; (ii) the internal control measures of the Group, particularly the review of, where applicable, the government price and the prices offered by the Independent Third Parties; and (iii) the track record of compliance where the independent auditors of the Company and the independent non-executive Directors had reviewed and will continue to review the continuing connected transactions of the Group, we are of the view that (i) the Group has sufficient internal control measures for governing the 2025-2027 Technical Support and Maintenance Services Framework Agreement; and (ii) the terms of the 2025-2027 Technical Support and Maintenance Services Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Historical Amount, Existing and Revised Technical Support Annual Caps

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

	Historical Amounts For			
	The Year Ended December 31,			**The Seven Months Ended July 31,**
	2022 *(RMB million)*	**2023** *(RMB million)*	**2024** *(RMB million)*	**2025** *(RMB million)*
Total fees paid/payable to CGN by the Group on an actual basis	1,054	2,153	3,090	1,397*Note 2*
Annual Caps	2,362	2,373	3,660*Note 1*	3,430*Note 1*
Utilisation Rates	44.6%	90.7%	84.4%	40.7%

Notes:

1. The annual caps for the year ended December 31, 2024 and the year ending December 31, 2025 are based on the annual caps from the announcement published by the Company on October 23, 2024.

2. The utilisation rate for the year ending December 31, 2025 is computed based on the historical amounts for the period from January 1, 2025 to July 31, 2025.

Set out below are the original annual caps for receipt of technical support and maintenance services and the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services under the 2025-2027 Technical Support and Maintenance Services Framework Agreement for the years ended December 31, 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 CGN by the Group on an actual basis			
(a) Original Technical Support and Maintenance Annual Caps	3,430	3,450	3,430
(b) Revised Technical Support and Maintenance Annual Caps	5,400	5,500	6,000

Basis of determination of the Revised Annual Caps for the Receipt of Technical Support and Maintenance Services (the "Revised Annual Caps"):

As set out in the Letter from the Board, 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 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.

For further detail on the basis of determination of the Revised Annual Caps, please refer to the Letter from the Board.

In assessing the fairness and reasonableness of the Revised Annual Caps, a list of the anticipated continuing connected transactions to be carried out under the Non-exempt Continuing Connected Transaction was obtained from the Company, and it is understood that the Revised Annual Caps reflect the aggregated expected contractual amounts of those anticipated transactions. We also obtained the list that was used to formulate the original

annual caps and compared it against the current list of anticipated transactions. We have reviewed the detailed cap calculations and reconciled the different between the original caps and the revised amounts for the period between 2025 to 2027. Detail of the comparison is as below:

		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)*
Difference between the Original and Revised Technical Support and Maintenance Annual Caps		1,970	2,050	2,570
Attributable to:				
Digitalisation services such as DCS supply and joint design services for nuclear islands	*(i)*	775	1,010	1,593
Investment in research and development	*(ii)*	374	327	172
Spare parts services, digital and intelligent technology services, and maintenance services to be received from the CGN Group by the Target Companies proposed to be acquired by the Company	*(iii)*	76	204	209
Procurement of spare parts	*(iv)*	78	26	36
Digital and intelligent technology services	*(v)*	190	214	224
Services for environmental protection and equipment maintenance	*(vi)*	212	258	314
Others	*(vii)*	265	11	22

(i) For digitalisation services such as DCS supply and joint design services for nuclear islands, we have discussed with the representatives of the Company and were advised that the DCS serves as the digital nerve centre that controls all nuclear power plant operations, monitoring and controlling thousands of systems and equipment to ensure reactor safety and operational efficiency. Due to stringent export restrictions on nuclear-related technology from foreign countries making acquisition from third parties worldwide unavailable, CGN developed its proprietary nuclear-grade DCS platform with independent intellectual property rights, which can significantly reduce reactor operating costs compared to foreign alternatives. The Board believes adopting CGN's DCS and nuclear island design would bring significant cost savings and continued technological support with supply chain certainty, making CGN effectively the only viable supplier in this strategic technology domain.

(ii) Regarding investment in research and development, as advised by the representative of the Company, the Company prioritises safety while focusing on enhancing the economic viability, technological advancement, and autonomous capabilities of Hualong One through continuous design optimisation and technical improvements. These efforts have strengthened the competitive position of the Company's Hualong One technology. Meanwhile, in response to industry trends toward safer and more economical nuclear power solutions, the Company has intensified its nuclear energy innovation initiatives by establishing strategic research projects and actively advancing fourth-generation nuclear power technology and small modular reactor (the "**SMR**") development. The Company maintains its competitive edge by continuously monitoring cutting-edge technological developments both domestically and internationally, thereby supporting the Group's long-term sustainability objectives. For prototype development and joint research initiatives with CGN, the representative of the Company indicated that these strategic partnerships enable the Group to capitalize on CGN's comprehensive R&D infrastructure and technical expertise. By leveraging CGN's proven nuclear technology capabilities, these collaborations accelerate innovation cycles and reinforce the Group's technological competitiveness within the nuclear power sector.

(iii) As advised by the Company's representatives, this represents fees payable for services or products that are similar to other categories summarised in this list and that are expected to be received by the Target Companies, which the subjected services and products are necessary to bring the relevant nuclear power plants to commercial operation.

(iv) For the procurement of spare parts, we are advised by the representatives of the Company that Acquisition of the Target Companies, and potential acquisition in the future would increase the procurement of spare parts in accordance with the reserve arrangements for the spare parts.

(v) For the services related to digital and intelligent technology. The representatives of the Company confirm that these services are related to the advancement of digital and intelligent transformation. CGN has provided the Group with technical support and maintenance services for a long period and is familiar with the operations of the Group. The continued technical support and maintenance services from the CGN Group can ensure stable operation and efficient operational coordination of the Group.

(vi) For environmental protection and equipment maintenance, we understand from the representatives of the Company that the increased demand for technical support and maintenance services is attributable to the overhaul requirements of operational nuclear power units and enhanced environmental protection initiatives, including water treatment operations. The Group requires expanded major overhaul auxiliary support and environmental facility operation and maintenance services from CGN Group to meet these operational needs.

(vii) For other business, we are advised by the representatives of the Company that those business are primarily to ensure the safe and efficient construction and operation of nuclear power units, the Group will modify certain existing equipment or purchase new equipment and related materials, as well as obtain expert support services necessary for normal equipment operation, procuring relevant equipment, equipment modifications, and expert support services from CGN Group. As such work is usually closely related to the annual work plans of subsidiaries, the transaction amounts may vary each year.

Based on our above discussions with the Company's representatives, it is understood that the anticipated continuing connected transactions estimated to be carried out under the Non-exempt Continuing Connected Transaction are necessary either to bring the relevant nuclear power plants to commercial operation or to maintain efficient and safe day-to-day operations of the nuclear power plants.

To further assess the fairness and reasonableness of the Revised Annual Caps, we have conducted discussions with representatives of the Company regarding the methodology employed in determining the contract amounts underlying the Non-exempt Continuing Connected Transactions for the purpose of formulating the Revised Annual Caps. We understand from the Company that the determination methodology comprises two categories: (i) for signed contracts, the actual contract amounts and the respective contractual terms of the payment are incorporated in determining the Revised Annual Caps; (ii) for unsigned items, where similar arrangements have previously been entered into between the Group and the CGN Group, the estimates are based on historical contracts of similar scope and settlement patterns, while items without precedents are estimated by reference to expected usage quantities and planned work packages prepared by the responsible business units and payment pattern is based on the estimated supply and delivery milestone schedule.

We have discussed with representatives of the Group and understood that, given the large number of anticipated transactions and the differences in contract values and settlement schedules across service and product categories, proportional increases by category are not directly comparable. In view of the heterogeneous milestone structures across different service and product categories, we adopted a random sample testing approach to test that the contracts and items used to formulate the Revised Annual Caps are properly sourced, arithmetically accurate, and appropriately time-phased according to the referenced payment terms or patterns.

For our due diligence purposes, we obtained and reviewed 28 random samples (4 from each of the categories (i) to (vii), with each category's samples comprising 2 estimates derived from signed contracts and 2 estimates derived from unsigned items). For signed contracts, the contract sums were traced to executed contracts and the contractual payment terms were reconciled to the cap model to confirm proper allocation to the correct year(s). For unsigned items with precedents, we traced the estimates to referenced historical contracts and verified that, in case of adjustments, assumption for the adjustment such as change in scope or quantity is reasonable, and that the allocations to cap years matched the referenced historical settlement pattern. For unsigned items without precedents, we reviewed the estimates against internal demand plans and usage assumptions prepared by business units and checked milestone timing against project schedules and the associated payment patterns. Based on our review of the sampled items, the amounts included in the cap model for those items were properly calculated, sourced and time-phased, and no matters were noted from our sample that would indicate the amounts included in the cap model for those items were not properly determined and time-allocated.

As part of the work performed, historical utilisation for technical support and maintenance services was reviewed by reference to actual fees paid/payable of RMB2,153 million in 2023 and RMB3,090 million in 2024, representing utilisation rates of 90.7% and 84.4%, respectively, indicating limited headroom under prevailing run rates. The originally approved caps for 2025-2027 of RMB3,430 million, RMB3,450 million and RMB3,430 million, respectively, were set prior to Acquisition hence do not reflect demand driven by the Acquisition and the Board's expectation that the Group will gradually have some new projects to be approved by the state, which together add scope for DCS supply and joint nuclear island design, increased research and development, spare parts and maintenance, and digital/intelligent and environmental protection services. In addition, the original 2025 cap of RMB3,430 million sits below the prior 2024 cap of RMB3,660 million notwithstanding the observed high utilisation, further evidencing insufficient capacity if underlying demand trends persist. Taken together, these factors support the upward revision to RMB5,400 million, RMB5,500 million and RMB6,000 million, respectively, for 2025–2027 from a utilisation-rate perspective.

In respect of our work on the Revised Annual Caps, we have, among other procedures, (i) reviewed and discussed that the nature of the anticipated continuing connected transactions are necessary either to bring the relevant nuclear power plants to commercial operation or to maintain efficient and safe day to day operations of the nuclear power plants; (ii) performed procedures on a randomly sampled set of anticipated continuing connected transactions to assess proper determination and time allocation; and (iii) analysed historical transaction amounts and utilisation against the original caps. Based on our review and analysis, we consider the basis for determining the Revised Annual Caps to be fair and reasonable so far as the Company and the Independent Shareholders are concerned.

RECOMMENDATION

Having considered the above, we are of the opinion that the Share Transfer Agreement, the Acquisition, and the Non-exempt Continuing Connected Transaction are in the interests of the Company and the Shareholders as a whole. We are also of the opinion that the terms of the Share Transfer Agreement and the Non-exempt Continuing Connected Transaction are on normal commercial terms and, together with the Revised Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to approve the Acquisition and the Continuing Connected Transaction at the EGM.

Yours faithfully,
for and on behalf of
Anglo Chinese Corporate Finance, Limited

Brandon Li	**Alex Wang**
Director	*Assistant Director*

1. Mr. Brandon Li is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Anglo Chinese Corporate Finance, Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 11 years of experience in corporate finance.

2. Mr. Alex Wang is a licensed person registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 6 years of experience in corporate finance.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As of the Latest Practicable Date, none of the Directors or the chief executive of our Company had any interest and/or short position in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company and the Hong Kong Stock Exchange.

3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as of the Latest Practicable Date, the following persons had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of our Company carrying rights to vote in all circumstances at general meeting of our Company:

Shareholder	**Capacity/Nature of interest**	**Number and class of Shares**	**Approximate % in the relevant class of Shares** *(%)*	**Approximate % of issued Shares of the Company** *(%)*
CGN	Beneficial owner	29,176,641,375 A Shares (L)	74.17	57.78
		560,235,000 H Shares (L)	5.02	1.11

Shareholder	Capacity/Nature of interest	Number and class of Shares	Approximate % in the relevant class of Shares *(%)*	Approximate % of issued Shares of the Company *(%)*
CITIC Securities Company Limited	Interest of controlled corporation	1,341,449,000 H Shares (L)	12.02	2.66
		22,697,000 H Shares (S)	0.20	0.04
Guangdong Hengjian Investment Holdings Co., Ltd.* (廣東恒健投資控股有限公司)	Beneficial owner	3,428,512,500 A Shares (L)	8.72	6.79
BlackRock, Inc.	Interest of controlled corporation	660,877,326 H Shares (L)	5.92	1.31
		126,911,000 H Shares (S)	1.14	0.25
Citigroup Inc.	Interest of controlled corporation	34,529,162 H Shares (L)	0.31	0.07
	Approved lending agent	615,976,359 H Shares (L)	5.52	1.22
	Interest of controlled corporation	31,712,513 H Shares (S)	0.28	0.06
	Beneficial owner	63,267 H Shares (L)	0.00	0.00
		107,267 H Shares (S)	0.00	0.00

Notes:

(1) (L) denotes long position, and (S) denotes short position.

(2) As at the Latest Practicable Date, none of the Directors is a director or employee of a company which had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of our Group since December 31, 2024, being the date to which the latest published audited financial statements of our Group were made up.

5. MATERIAL ACQUISITION

During the period subsequent to December 31, 2024 (being the date to which the latest published audited financial statements of our Company were made up) and up to the Latest Practicable Date, none of the subsidiaries of our Group had acquired or agreed to acquire or was proposing to acquire a business or an interest in the share capital of a company whose profits and assets make or would make a material contribution to the figures in the auditor's report or in the next published accounts of our Company.

6. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

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

7. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS

As of the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the enlarged Group since December 31, 2024, being the date to which the latest published audited financial statements of our Group were made up.

8. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

None of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which is significant in relation to the business of the Group.

9. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of the Latest Practicable Date, save as disclosed below and so far as the Directors were aware, none of the Directors and their respective close associates had interest in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of our Group.

Name of Director	Position in our Company	Other interests
Mr. Yang Changli	Chairman of the Board and non-executive Director	Chairman of CGN
Mr. Gao Ligang	Executive Director and President	Director and general manager of CGN
Ms. Li Li	Non-executive Director	Director of CGN
Mr. Pang Songtao	Non-executive Director	Deputy general manager of CGN

10. LITIGATION

As of the Latest Practicable Date, no subsidiary of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any subsidiary of the Group.

11. EXPERT AND CONSENTS

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

Name	Qualification
Anglo Chinese Corporate Finance, Limited	A corporation licensed by the SFC to conduct 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 Securities and Futures Ordinance

The expert referred to above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and references to its name in the form and context in which they are included. The letter and recommendation given by the Independent Financial Adviser are given as at the date of this circular for incorporation herein.

To the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, none of the experts referred to above had any shareholding in any member of our Group, or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any subsidiary of our Group.

As at the Latest Practicable Date, none of the experts referred to above, directly or indirectly, had any interest in any assets which had since December 31, 2024 (being the date to which the latest published audited financial statements of our Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

12. GENERAL

(a) The joint company secretaries of the Company are Mr. Yin Engang and Ms. Ng Sau Mei. Ms. Ng Sau Mei is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

(b) The registered address of our Company as registered with the Administration for Industry and Commerce is at 18/F, South Tower, CGN Building, No. 2002 Shennan Road, Futian District, Shenzhen.

(c) The address of the H Share Registrar (the share registrar and transfer office of our Company in Hong Kong), Computershare Hong Kong Investor Services Limited, is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) All references to times in this circular refer to Hong Kong times.

(e) In the event of any inconsistency, the Chinese language text of this circular shall prevail over the English language text.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and our Company (www.cgnp.com.cn) from the date of this circular up to 14 days (inclusive) thereafter:

(a) the Share Transfer Agreement;

(b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 38 to 39 in this circular;

(c) the letter from the Independent Financial Adviser, the text of which is set out on pages 40 to 73 in this circular;

(d) the written consent referred to in paragraph headed "Experts and Consents" in this appendix;

(e) the asset valuation report of Huizhou Nuclear Power;

(f) the asset valuation report of Huizhou No. 2 Nuclear Power;

(g) the asset valuation report of Huizhou No. 3 Nuclear Power; and

(h) the asset valuation report of Zhanjiang Nuclear Power.

Summary of Asset Valuation Report of the Proposed Transfer of Equity Interests by China General Nuclear Power Corporation Involving Entire Equity Interests in CGN Huizhou Nuclear Power Co., Ltd.

I. BASIC INFORMATION ABOUT THE VALUATION

Purpose of the valuation: China General Nuclear Power Corporation* intends to transfer its equity interests in CGN Huizhou Nuclear Power Co., Ltd.*. Hence, the market value of the entire equity interests in CGN Huizhou Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date has to be assessed in order to provide value reference for the above economic activity.

Subject of valuation: Entire equity interests in CGN Huizhou Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date.

Scope of valuation: All audited assets and liabilities of CGN Huizhou Nuclear Power Co., Ltd.* reported as at the Valuation Benchmark Date, including current asset, non-current asset, current liability and non-current liability.

Valuation Benchmark Date: February 28, 2025.

Type of value: Market value.

II. SCOPE OF WORK

The scope of work of the valuer includes: (1) defining the fundamental engagement matters; (2) entering into an engagement agreement; (3) preparing the valuation work plan; (4) performing on-site investigation; (5) collecting and organizing valuation data; (6) conducting valuation analysis and forming conclusions; (7) preparing and issuing the valuation report.

III. SOURCE OF INFORMATION

In valuing the 100% equity interests in the target company, the valuer has reviewed information obtained from various sources, including but not limited to:

1. Various laws and regulations issued by the PRC;

2. Various valuation standards and valuation guidance opinions issued by the PRC;

* *For identification purpose only*

3. Information on the future annual operation and development plans, measures, profit forecast and other information as provided by the client and the appraised entity;

4. Financial statements and audit report as at the Valuation Benchmark Date and for prior years as provided by the appraised entity;

5. Other information required for valuation as provided by the client and the appraised entity;

6. Other information about the valuation as recorded and collected by the valuer during on-site inspection.

IV. VALUATION METHODS AND REASONS FOR SELECTION

1. Overview of Valuation Methods

Business valuation methods primarily include asset-based approach, income approach and market approach.

The asset-based approach in business valuation refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity at the Valuation Benchmark Date.

Income approach in business valuation refers to the valuation method of determining the value of the appraised entity by capitalizing or discounting the expected income. Common methods used in income approach include dividend discount method and cash flow discount method.

Market approach in business valuation refers to the valuation method of determining the value of the appraised subject by comparing the appraised subject with comparable listed companies or comparable transaction cases. Two common methods used in market approach are listed company comparison method and transaction case comparison method.

2. Selection of Valuation Methods for Subject Asset

According to the Guidelines for the Practice of Asset Appraisal – Business Value, the valuer analyzes the applicability of the three basic valuation methods, namely income approach, market approach and asset-based approach, and select the valuation method based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances in performing the business valuation engagement.

Based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances, as well as the applicability of the three basic valuation methods, asset-based approach and income approach are selected for the valuation. Reasons for selection of valuation methods are as follows:

Reasons for selecting asset-based approach: Taking into account of the details on various assets and liabilities of the appraised entity obtained in the valuation, the valuer can conduct valuation on various assets and liabilities by adopting appropriate valuation methods, which fulfills the conditions for asset-based valuation. Hence, asset-based approach has been selected for conducting valuation.

Reasons for selecting income approach: CGN Huizhou Nuclear Power Company is responsible for the development, investment, construction and operation of Huizhou Project Phase I. Upon investigation on the appraised entity, it is understood that the construction of the nuclear power project as invested and constructed by the appraised entity was in progress normally. Its future earnings can be estimated and measured in monetary terms, and the risks associated with obtaining those future earnings can also be quantified. Hence, income approach has been selected for conducting valuation.

Reasons for not using market approach: In view of the limited number of comparable listed companies in China's capital markets that are in the same industry as the appraised entity, and given that the appraised entity was still under construction as of the Valuation Benchmark Date, market data on comparable transaction cases could not be obtained. Hence, the objective conditions necessary for adopting the market approach were not met for this valuation.

V. VALUATION ASSUMPTIONS

(I) General Assumptions

1. Transaction assumption: It is assumed that all assets to be appraised have already 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 refers to the fact that the assets can be traded freely in a competitive market where the price is determined by independent buyer-seller valuation judgment on assets under certain supply-demand environment. Open market refers to a competitive market with many buyers and sellers. In this market, the positions of buyers and sellers are equal, and they both have the opportunity and time to obtain sufficient market information. The trading behavior of the buyers and sellers is carried out voluntarily and rationally, rather than under compulsion or unconstrained conditions;

3. It is assumed that there will be no material changes in relevant prevailing laws, regulations and policies of China and its macroeconomic situation. There will be no material changes in the political, economic and social environment of the regions where the parties to this transaction are located;

4. Based on the actual status of the assets on the Valuation Benchmark Date, it is assumed that the appraised entity can continue on an ongoing basis;

5. It is assumed that there will be no material changes in the tax basis and tax rate, policy levies in relation to the appraised entity after the Valuation Benchmark Date;

6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;

7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

8. 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.

(II) Special Assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date will remain materially consistent with the those used in the preparation of this valuation report;

2. It is assumed that, after the Valuation Benchmark Date, the business scope and mode of the appraised entity will be consistent with the current status on the basis of the existing management method and management level;

3. It is assumed that the appraised entity will receive an even net cash flow in each year after the Valuation Benchmark Date;

4. It is assumed that all information in relation to the valuation provided by the client and the appraised entity is true, complete and legally valid;

5. It is assumed that the construction of Huizhou Project Phase I invested and constructed by the appraised entity can be completed on schedule and commenced commercial operation in accordance with relevant investment plan and construction timeline as of the benchmark date. It is also assumed that, with reference to the operation status of the generating units within CGN adopting HPR1000 technology and other technologies, and based on various factors including latest market trend, the cost standards and other economic-analysis data as estimated by the appraised entity can be implemented smoothly.

6. It is assumed that there is no significant difference between the actual investment amount for the construction of Huizhou Project Phase I and the investment amount used in this valuation.

The valuation conclusion of the valuation report is made based on the above assumptions on the Valuation Benchmark Date.

VI. TECHNICAL DESCRIPTION OF VALUATION

(I) Technical Description of Valuation with Asset-based Approach

1. Description of Valuation of Current Assets

(1) Scope of valuation

Current assets included in the scope of valuation consist of monetary funds, prepayments, other receivables and inventories.

(2) Valuation methodology and process

① Monetary funds

Monetary funds consist of bank deposits and other monetary funds with carrying value of RMB241,560,326.30. Among which, bank deposits amounted to RMB160,028,726.30, while other monetary funds amounted to RMB81,531,600.00.

The appraised value of monetary funds was RMB241,560,326.30, without appreciation nor depreciation in valuation.

② Prepayments

The carrying value of prepayments as at the Valuation Benchmark Date was RMB1,401,522.17, represented the prepayment for spare parts procurement by the appraised entity in accordance with contract terms.

The appraised value of prepayments was RMB1,401,522.17, without appreciation nor depreciation in valuation.

③ Other receivables

The book balance of other receivables as at the Valuation Benchmark Date was RMB375,705,120.94. Provision for bad debts amounted to RMB6,049,524.68, with net carrying value of RMB369,655,596.26. It accounted for accommodation receivables, housing rents and compensation fees for land expropriation etc.

The appraised value of other receivables was RMB369,655,596.26, without appreciation nor depreciation in valuation.

④ Inventories

The carrying value of inventories as at the Valuation Benchmark Date was RMB54,039,983.16. Without taking into account impairment provision, the net carrying value of inventories was RMB54,039,983.16. It accounted for raw materials.

The appraised value of raw materials was RMB54,039,983.16, without appreciation nor depreciation in valuation.

(3) Valuation result

The appraised value of current assets was RMB666,657,427.89, without appreciation nor depreciation in valuation.

2. Description of Valuation of Non-current Assets

(1) Description of valuation of investment real estate

① Scope of valuation

The scope of valuation refer to 19 commercial housing located in Platinum Mansion (鉑金府) acquired by CGN Huizhou Nuclear Power Co., Ltd.* for renting (for residential use with property ownership certificate obtained). Built from December 2011 to January 2013, the commercial housing located in Wenchangyi Road, Jiangbei Central District, Huicheng District, Huizhou, with total gross floor area of 1,257.53 square meters and carrying value of RMB11,835,563.71.

② Valuation method

Based on relevant conditions such as valuation subject, data collection and source of information, with reference to the accounting standards in relation to relevant requirements on valuation subject and measurement method, market approach has been adopted for the valuation of investment real estate.

The market approach is a valuation method to arrive at a price of the real estate to be appraised that compares the real estate to be appraised to similar real estate that have already been transacted in the period close to the appraisal benchmark date, and to arrive at a price of the real estate to be appraised based on the prices of the real estate that have already been transacted, as modified by a number of factors such as the transaction, date, region and individual factors.

The basic formula for the market approach is:

Appraised value of real estate to be appraised = transaction price in real estate transaction case x modifying factors of transaction circumstances x modifying factors of transaction dates x modifying factors of location x modifying factors of individual factors

③ Valuation result and analysis

As appraised, the carrying value of investment real estate was RMB11,835,563.71; the appraised value was RMB17,064,988.56; and the appreciation in valuation was RMB5,229,424.85, with appreciation rate of 44.18%.

Analysis on reasons for appreciation or depreciation in valuation: The investment real estate was acquired at early stage. With the rapid economic growth in Huizhou, the demand for high-end residential units continued to rise. Jiangbei CBD, as the core area of the city, is lack of land supply. The appraised assets, being rare, high-end residential buildings for home improvement, have become even more distinctive, resulting in valuation appreciation.

(2) Description of valuation of buildings (structures)

① Scope of valuation

The buildings included in the scope of valuation refer to the buildings (structures) owned by CGN Huizhou Nuclear Power Co., Ltd.*, with a total of 77 housing buildings, including 27 acquired residential units and 50 self-constructed buildings, which are located in Huamao Platinum Mansion, Wenchangyi Road, Jiangbei Central District, Huicheng District, Huizhou and Taipingling Nuclear Power Base, Wanglong Road, Huangbu Town, Huidong County, Huizhou, Guangdong Province, respectively. The original carrying value was RMB1,123,552,578.52, and the carrying value was RMB1,004,138,677.67. Details are set out in the table below:

Unit: RMB

Item	Number	Area (m^2)	Book balance	
			Original carrying value	Net carrying value
Buildings	77	155,454.49	1,123,552,578.52	1,004,138,677.67
Total for buildings (structures)	**77**	**155,454.49**	**1,123,552,578.52**	**1,004,138,677.67**

② Valuation method

Based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances, different valuation approaches are adopted for the buildings (structures) owned by the appraised entity. For self-operated buildings (e.g., office buildings, canteens, dormitories), the cost approach is adopted as these assets have reached their intended usable state, some have undergone final project cost settlement, and complete construction documentation is available, satisfying the requirements for the replacement cost approach. For purchased properties, the market approach is used taking into account their characteristics, intended use, information availability, and the active level of market transactions in their locations. For buildings (structures) falling within the turnkey (EPC) contract scope, final project cost settlement has not yet been carried out. The company has provisionally capitalized these assets at estimated amounts. Their carrying values are incomplete and may be inaccurate, with certain costs that should be allocated to these assets still accumulated under construction in progress. As communicated with the client and management of the appraised entity, such buildings (structures) will no longer estimated separately, and will be appraised together with construction in progress.

A. Replacement cost approach

Appraised value of buildings = replacement cost × newness rate

B. Market approach

The market approach is a valuation method to arrive at a price of the real estate to be appraised as at the Valuation Benchmark Date that compares the real estate to be appraised to the recent transaction price of similar real estate based on the principle of replacement, as modified by a number of factors such as the transaction, transaction date and conditions of real estate.

③ Valuation result and analysis

The result of the valuation of buildings (structures) within the scope of valuation is set out below:

Summary of result of valuation of buildings (structures)

Unit: RMB

	Book balance		Appraised value		Appreciation rate %	
Item	Original value	Net value	Original value	Net value	Original value	Net value
Total for buildings	**1,123,552,578.52**	**1,004,138,677.67**	**450,383,279.73**	**431,012,510.73**	**-59.91**	**-57.08**
Buildings	1,123,552,578.52	1,004,138,677.67	450,383,279.73	431,012,510.73	-59.91	-57.08

Analysis on reasons for appreciation or depreciation in valuation

As it is temporarily estimated that 40 buildings will be transferred to fixed assets and included in construction in progress for valuation, there is a depreciation in appraised value against carrying value.

(3) Technical description of valuation of machinery and equipment

① Scope of valuation

The equipment asset included in the scope of valuation refer to all reported machinery and equipment, vehicles and electronic devices of Huizhou Nuclear Power as at the Valuation Benchmark Date, i.e. February 28, 2025. The carrying values as at the Valuation Benchmark Date are set out below:

Carrying value of equipment asset

Unit: RMB

		Book balance	
Type of equipment	**Number (sets)**	**Original value**	**Net value**
Machinery and equipment	1,075	110,862,331.03	97,293,531.86
Vehicles	6	7,336,421.34	3,397,685.42
Electronic devices	7,535	63,058,116.19	35,784,615.18
Total	**8,616**	**181,256,868.56**	**136,475,832.46**

The equipment subject to valuation is distributed within Huizhou Nuclear Power Company. It primarily consists of fixed slewing cranes, test instruments, reactivity meters, krypton separation and purification systems for gaseous effluent, electric actuator torque test benches, RRI plate heat-exchanger flushing rigs, high-precision multifunction calibrators, compressors, globe-valve lapping machines, office equipment, transport vehicles, and electronic devices.

② Valuation method

Based on the purpose of the valuation and type of value, in accordance with the principle of continuous use and based on the market price, taking into account the characteristics of the equipment to be appraised and the information collected, the replacement cost approach is primarily adopted in the valuation.

The replacement cost approach is an asset valuation method that takes the full cost of reacquiring or constructing the appraised asset in its new condition, less the physical, functional, and economic obsolescence that has occurred on the appraised asset, and uses the difference as the appraised value of the appraised asset.

The appraised value can also be determined using the replacement cost approach by first estimating the newness of the asset being appraised as compared to its new condition, i.e. by identifying the newness rate, and then the product of multiplying the full cost and the newness rate would be regarded as the appraised value.

Formula: Appraised value = replacement cost x newness rate.

③ Valuation result and analysis

The result of the valuation of equipment asset within the scope of valuation is set out in table below:

Summary of result of the valuation of equipment asset

Unit: RMB

	Carrying value		Appraised value		Appreciation rate %	
Item	Original value	Net value	Original value	Net value	Original value	Net value
Total for equipment	**181,256,868.56**	**136,475,832.46**	**178,671,503.73**	**145,848,807.00**	**-1.43**	**6.87**
Machinery and equipment	110,862,331.03	97,293,531.86	112,935,600.00	99,051,526.00	1.87	1.81
Vehicles	7,336,421.34	3,397,685.42	7,240,800.00	6,101,870.00	-1.30	79.59
Electronic devices	63,058,116.19	35,784,615.18	58,495,103.73	40,695,411.00	-7.24	13.72

Analysis on reasons for appreciation or depreciation in valuation

A. The appreciation in original value for the valuation of machinery and equipment was mainly due to the appreciation in original value for the valuation as a result of the exclusion of amortized expenses in the reported original carrying value of the appraised entity. Due to the appreciation in original value for the valuation, as well as the fact that the economic useful life of certain equipment was longer than the accounting depreciation term of the company, there was appreciation in net value for valuation.

B. The depreciation in original value for the valuation of vehicles was mainly due to the decline in vehicle prices. As the economic useful life of vehicles was longer than the accounting depreciation term of the company, there was appreciation in net value for valuation.

C. The depreciation in original value for the valuation of electronic devices was mainly due to the decline in electronic device prices, as well as the fact that certain electronic devices were appraised at second-hand price. As the economic useful life of electronic devices was longer than the accounting depreciation term of the company, there was appreciation in net value for valuation.

(4) Fixed asset disposal

① Scope of valuation

The fixed asset disposal included in the scope of valuation refer to the retired electronic devices reported as at the Valuation Benchmark Date. There were a total of 3 retired electronic devices, including treadmill, anemometer and wind speed sensor. These devices were retired, aged and worthless for repair, and being stored in junk yard.

② Valuation method

The value type and valuation method are determined based on the reasons for fixed asset disposal, taking into account the approval procedures, asset disposal methods and future use of fixed assets. For disposed items consisted of fixed assets with residue value, valuation is conducted at residue value based on the specific condition of physical assets.

③ Valuation result and analysis

Valuation result is set out in table below:

Summary of result of the valuation of fixed asset disposal

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate %
Fixed asset disposal	1,194.85	215	-979.85	-82.01
Total	**1,194.85**	**215**	**-979.85**	**-82.01**

Analysis on reasons for appreciation or depreciation in valuation

Upon on-site inspection, the electronic devices included in fixed asset disposal were considered as retired, aged and worthless for repair, with appraised value recognized at waste recycle price, thus resulting in impairment.

(5) Construction in progress

① Scope of valuation

The carrying value of construction in progress included in the scope of valuation was RMB34,037,285,780.46. In particular, the carrying value of phase I construction was RMB34,037,285,780.46, which primarily consisted of the upfront expense, design and inspection expense, construction fee, equipment cost, land acquisition and cleaning cost, production preparation cost, interests for construction phase and other costs for Unit 1 and Unit 2.

Huizhou Project Phase I is located in Huizhou, Guangdong Province. It is planned to construct six gigawatt-level generating units. The phase I project includes the construction of 2 sets of HPR1000 generating units, which will be constructed and operated by CGN Huizhou Nuclear Power Co., Ltd.* (hereinafter refer to as "Huizhou Project Phase I").

② Valuation method

The construction in progress included in the scope of valuation includes various upfront cost, project commencement fee, construction fee and administrative fee etc. The asset valuer verifies the composition of carrying value through communication with officers from financial, investment and engineering departments of the appraised entity, and review of relevant accounting books, certificates, contracts, payment invoices and other information. Taking into account the characteristics of construction in progress under this project, in order to avoid asset measurement repetition and asset value omission, based on different information collected, the valuer has analyzed specific conditions of various construction in progress, and adopted the following valuation methods:

In respect of construction in progress, the evaluated entity is unable to accurately distinguish the book values of each ongoing subitems, and the engineering cost of subitems cannot be individually re-calculated under the valuation;

Due to the long construction period of nuclear power projects, the contractor usually takes into account inflation when entering into construction contract with enterprise. Hence, the progress payment has already reflected the impacts of price fluctuation on engineering cost. Consequently, based on the principle of prudence, the appraised value for construction in progress is determined at the recalculated fund cost with verified actual payment as estimation basis.

③ Valuation result and analysis

Valuation result is set out in table below:

Summary of result of the valuation of construction in progress

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate
Construction in progress	34,037,285,780.46	35,849,092,361.16	1,811,806,580.70	5.32%
Total	**34,037,285,780.46**	**35,849,092,361.16**	**1,811,806,580.70**	**5.32%**

Analysis on reasons for appreciation or depreciation in valuation

The appreciation in valuation of construction in progress was RMB1,811,806,580.70, with appreciation rate of 5.32%. The appreciation in valuation was mainly due to: the inclusion of real estate temporarily transferred to fixed asset at estimated cost in the valuation of construction in progress, as well as the re-estimation of various fund cost corresponding to the reasonable expenses of construction in progress at reasonable work schedule and interest rate.

(6) Description of valuation of right-of-use assets

The carrying value of right-of-use assets was RMB27,229.29, which accounted for the rental expenses for leased office premises.

The appraised value of right-of-use assets was RMB27,229.29, without appreciation nor depreciation in valuation.

(7) Technical description of valuation of land use right

① Scope of valuation

The land parcel of land included in the scope of valuation is located at Shapu Village, Huangbu Town, Huidong County, Huizhou, Guangdong Province. The real estate ownership certificate (Huidong County Real Estate Ownership Certificate Yue [2022] No. 0022293) was obtained through transfer, with CGN Huizhou Nuclear Power Co., Ltd.* as the registered owner and Huidong County Bureau of Natural Resources as the transferor. The land is free of any encumbrances, with term of land use for 50 years commencing from December 13, 2021 to December 12, 2071. After 3.18 years of use, the remaining term of use is 46.82 years. The construction of ground leveling and access to water, electricity, telecommunication, road and sewage has completed outside the boundary of the land parcel. Its carrying value was RMB463,191,946.09.

② Valuation method

The common valuation methods for land use right include market comparison approach, income capitalization approach, hypothetical development approach, cost approximation approach and benchmark land premium coefficient modification etc. On the basis of on-site inspection and relevant market research, taking into account the location of land to be appraised, land usage, usage conditions, local land market, available information and the applicability of relevant valuation methods, the valuer adopts market approach and benchmark land premium coefficient modification for the valuation of land use right.

③ Valuation result and analysis

Upon on-site inspection and analysis on local real estate market environment by the valuer, in accordance with basic principle for land premium valuation and valuation procedures, both market approach and benchmark land premium coefficient modification fulfill relevant requirements. Hence, these two approaches are used in the valuation. However, as the benchmark land premium is the regional average price, the specific modification on individual land parcel is insufficient, resulting in deviation between the valuation result and actual value. The conclusion based on market approach, which is closer to actual transaction price and has stronger timeliness, has been selected as the final conclusion.

Summary of result of the valuation of land use right

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate
Intangible assets – land use right	463,191,946.09	672,493,938.37	209,301,992.28	45.19%
Total	**463,191,946.09**	**672,493,938.37**	**209,301,992.28**	**45.19%**

Analysis on reasons for appreciation or depreciation in valuation

Reasons for appreciation in land use right: The land demand in Huidong County is high over the years. Couple with the boost in land use value and attractiveness attributable to government plans and infrastructure construction over the years, there is appreciation in land use right.

(8) Technical description of valuation of sea area use right

① Scope of valuation

A total of 8 sea area use rights are included in the scope of valuation, with carrying value of RMB43,338,530.25, and located in sea area near Taipingling, Huidong County and sea area opposite to Taipinling, Huangbu Town, Huidong County in Huizhou, Guangdong Province. The types of sea use right are industrial use/power industry use. The sea use patterns include harbor port, port basin, permeable structure, non-permeable structure, water intake, and water discharge etc.

② Valuation method

In accordance with the Technical Specification for Sea Area Price Assessment (HY/T 0288-2020) and the Notice on Issuing the Guidelines for Sea Area Valuation Techniques (Guo Hai Guan Zi [2013] No. 708), the principles to be complied when assessing sea area prices include the principle of anticipated revenue, the principle of most effective usage, the principle of substitution, the principle of market supply and demand, and the principle of contribution. Based on the characteristics of the subject sea area and the purpose of the valuation, the appropriate method will be selected. The common valuation methods for sea area price include income capitalization approach, cost approximation approach, residual approach and market comparison approach.

At present, the trading market for sea area use right in Huizhou is immature. As it is lack of recent transaction cases in relation to sea area use right of the same type of sea area as the appraised subject within the supply-demand zone, market comparison approach is inappropriate for valuation. As the sea area to be appraised is for industrial use and cannot generate income separately, both income capitalization approach and residual approach are inappropriate for valuation. Upon inspection, it is understood that the acquisition cost and various expenses for the sea area to be appraised can be obtained in a reasonable way. Hence, the cost approximation approach is suitable for the valuation.

③ Valuation result and analysis

Summary of result of the valuation of sea area use right

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate
Intangible asset – sea area use right	43,338,530.25	66,916,400.00	23,577,869.75	54.40%
Total	**43,338,530.25**	**66,916,400.00**	**23,577,869.75**	**54.40%**

Analysis on reasons for appreciation or depreciation in valuation

The appraised value of sea area use right was RMB66,916,400.00, with appreciation of RMB23,577,869.75 in valuation and appreciation rate of 54.40%. Reasons for appreciation in valuation: The original carrying value of sea area use right refers to the one-off royalties for sea area use. During valuation, the valuer has appraised the interests for sea area development, profit for sea area development and value-added income with reference to the Technical Specification for Sea Area Price Assessment (HY/T 0288-2020), resulting in appreciation in valuation.

(9) Technical description of valuation of intangible assets – other intangible assets

① Scope of valuation

A. Intangible assets – Software

Intangible assets – others as reported by the company include: a total of 2 purchased software, namely RPA backup information recording smart robot project and Huawei FusionSphere visualization software, with carrying value of RMB938,141.39.

B. Intangible assets – Intelligent properties

The intelligent properties reported by the company that included in the scope of valuation include 24 patent rights, 4 software copyright and 32 copyright. Relevant R&D costs are recorded under construction in progress and cannot be separated. Hence, such patent rights, software copyright and copyright under other intangible assets do not have carrying value.

② Valuation method

A. Intangible assets – Software

For purchased software, valuation is conducted using market approach based on relevant conditions such as characteristics of other intangible assets, type of appraised value and information availability etc.

B. Intangible assets – Intelligent properties

Intelligent properties refer to technology invent and develop by the project company as the principal. Expenses on relevant matters are not calculated separately, included in the carrying value of construction in progress, and cannot be separated from historical costs. Hence, cost approach has been adopted for the valuation of other intangible assets – intelligent properties based on the actual condition of the project, i.e. value of intelligent property shall be deemed as equivalent to its R&D cost, with value included in construction in progress.

③ Valuation result and analysis

The appraised value of intangible assets – other intangible assets was RMB1,232,979.07, with appreciation of RMB294,837.68 in valuation. Appreciation in valuation was due to the prevailing market price of software was higher than its carrying value.

(10) Description of valuation of other non-current assets

The carrying value of other non-current assets included in the scope of valuation was RMB5,798,739,338.62, which included construction, equipment, prepayment for spare parts and input tax to be credited.

The appraised value of other non-current assets was RMB5,798,739,338.62, without appreciation nor depreciation in valuation.

3. Description of valuation of current liabilities

Current liabilities included in the scope of valuation include: short-term borrowings, accounts payable, employee benefits payable, taxes payable, other payables, non-current liabilities due within one year and other current liabilities. The carrying value of the abovementioned liabilities as at the Valuation Benchmark Date is set out in table below:

Unit: RMB

Item	Carrying value
Short-term borrowings	616,111,212.05
Accounts payable	353,542,113.24
Employee benefits payable	2,730,154.96
Taxes payable	1,788,404.01
Other payables	89,047.22
Non-current liabilities due within one year	537,822,355.64
Total current liabilities	**1,512,083,287.12**

On the basis of liabilities actually assumed by the appraised entity as at the Valuation Benchmark Date as the appraised value of liabilities, the appraised value of current liabilities was RMB1,512,083,287.12, without appreciation nor depreciation in valuation.

4. Description of valuation of non-current liabilities

Non-current liabilities included in the scope of valuation refer to long-term borrowings, with carrying value of RMB32,353,219,936.13. Items under valuation refer to various borrowings with a term of more than one year (exclusive) borrowed by the appraised entity from Huizhou branch of China Construction Bank Corporation, CGN Finance Co., Ltd. (中廣核財務有限責任公司) and China General Nuclear Power Corporation (中國廣核集團有限公司).

The appraised value of long-term borrowings was RMB32,353,219,936.13, without appreciation nor depreciation in valuation.

(II) Technical Description of Valuation with Income Approach

1. Preconditions and reasons for adopting the income approach

(1) Definition and principle of the income approach

The income approach refers to a valuation method that discounts the estimation of the expected future income of the appraised entity into present value to determine the value of the appraised entity. Its basic idea is to derive an appraised value by estimating the expected income of an asset in the future and discounting it to present value at an appropriate discount rate.

(2) Preconditions for adopting the income approach

The enterprise has the basis and conditions for continuous operation. There is a stable relationship between operation and income in the asset. The future income and risks are predictable and quantifiable.

(3) Reasons and basis for adopting the income approach

The operating conditions of the appraised entity met the preconditions for the adoption of the income approach and possessed the basis for calculation using the income approach. The income and risks of the appraised entity in future years were able to be reliably estimated and the income period be determined. Therefore, the income approach was eligible to be selected for this valuation.

The valuer conducted income forecasts and determined various parameters based on the market trends on the Valuation Benchmark Date of the appraised entity and during the forecast period, and performed estimation and calculation.

2. Calculation in Valuation and Process of Analysis

(1) Selection of income model

The discounted cash flow method (DCF) of the income method is adopted indirectly acquire the value of total equity interests of shareholders through valuating the overall value of the enterprise. The enterprise free cash flow discount model is adopted to determine the value of operating assets, that is, the value is calculated based on the enterprise free cash flow for several years in the future, discounting at appropriate discounting rate and adding the sum. The formula is as follows:

Value of the entire equity interests of shareholders = overall enterprise value – value of interest-bearing debts

Overall enterprise value = value of operating assets + value of non-operating assets + value of surplus assets – value of non-operating liabilities

Interest-bearing debts refer to the liabilities on which the appraised entity is required to pay interest as at the Valuation Benchmark Date.

The verified carrying value of the interest-bearing debts was adopted as the appraised value.

① Value of operating assets

Operating assets refer to those assets and liabilities that are related to the production and operation of the appraised entity and are included in the free cash flow forecast of the enterprise after the Valuation Benchmark Date.

The value of operating assets is calculated as follows:

$$P = \sum_{i=1}^{n} \frac{F_i}{(1 + r)^i}$$

Where: P: Value of operating assets of the enterprise as at the Valuation Benchmark Date;

Fi: Expected enterprise free cash flow in the i year after the Valuation Benchmark Date;

r: Discount rate (herein refers to the weighted average capital costs, or WACC);

n: Detailed forecast period;

i: Year i of the detailed forecast period;

Among which, enterprise free cash flow = net profit after taxation + depreciation and amortization + interests of interest-bearing debts (after tax) + corresponding finance expense on costs of abandoning assets (after tax) – capital expenditure – net increase of working capital + input value-added tax to be credited + asset recoverable amount as at the end of the period.

The discount rate is determined by adopting the weighted average capital costs (WACC) model.

The cost of equity capital (Ke) is determined by adopting the capital asset pricing model (CAPM).

② Value of non-operating assets and liabilities

Non-operating assets and liabilities refer to those assets and liabilities that are not related to the production and operation of the appraised entity and are not included in the free cash flow forecast of the enterprise after the Valuation Benchmark Date. This valuation mainly used an appropriate approach to conduct separate analysis and valuation of non-operating assets and liabilities.

③ Value of surplus assets

Surplus assets refer to those assets that exceed the normal operational requirements of the enterprise as at the Valuation Benchmark Date and are not included in the free cash flow forecast of the enterprise after the Valuation Benchmark Date. Based on the analysis, no surplus assets were identified in the appraised entity in this valuation.

(2) Determination of principal parameters

① Determination of income period and forecast period

A. Determination of income period

The income period defines the time frame for the expected future income of the appraised entity. It refers to the period during which the assets are active, that is, the interval from the date on which the enterprise generates income to the date on which the enterprise no longer receives income.

For nuclear power enterprise, as generating units are subject to archival disposition upon decommission, the income period is determined based on the designed useful life of the generating unit. According to the Feasibility Study Report on Phase I Construction of CGN Guangdong Taipingling Nuclear Power Plant, Huizhou Project Phase I (Unit 1 and Unit 2) adopts the third-generation PWR nuclear technology domestically developed in China, i.e. the HPR1000 upon integration with Hualong PWR, with designed useful life of 60 years. Hence, the income period for valuation of Huizhou Nuclear Power is 60 years.

B. Determination of forecast period

Huizhou Nuclear Power is a nuclear power company, and the forecast period will be ended by the end of operation period of generating units. Based on the current construction progress, the appraised entity expects Unit 1 and Unit 2 of Huizhou Project Phase I will be put into commercial operation in 2025 and 2026, respectively. Hence, the forecast period of Unit 1 and Unit 2 is determined to be 2085 and 2086, respectively.

② Forecast of operating income

Operating income of Huizhou Nuclear Power refers to sales revenue of electricity. Basic formula for calculation of sales revenue of electricity is as follows:

Sales revenue of electricity = on-grid power generation × power tariff (tax exclusive)

Among which: On-grid power generation = power generation × (1 – electricity consumption of power generation plants)

Power generation = installed capacity × facility power generation hours for the period

A. Installed capacity

In respect of installed capacity, as at the Valuation Benchmark Date, the single installed capacity of Huizhou Nuclear Power is 1.202 GW, while the total installed capacity is 2*1.202 GW, i.e. 2.404 GW. The installed capacity of project construction is in line with the designed capacity as stipulated in the Feasibility Study Report. This valuation uses the designed installed capacity of Unit 1 and Unit 2 as the estimation basis.

B. Power generation hours

Over the years, the developed generating units in operation within CGN have achieved utilization hours of more than 8,000 hours, even the lower performers reached about 7,400 hours, with an average exceeding 7,900 hours, which was higher than the average level of 7,700 hours among all generating units in operation across China. As a clean energy source, nuclear power enjoys on-grid priority over coal-fired generation in China. To ensure safe operation, nuclear power plants are increasingly trading price for volume through market transactions. With the gradual liberalization of the electricity market, nuclear participation in such trading is expected to further expand, supporting a steady rise in utilization hours. On a conservative basis, this valuation takes reference to the average power generation hours of generating units within CGN in last year as the estimation basis.

C. Electricity consumption rate of power generation plants

According to the electricity consumption rate of generating units within CGN over the past three years provided by the client and the appraised entity, the electricity consumption rate of power plants ranged from 4.3% to 6.9%, with average of 5.57% over the past three years. The average value of generating units within the whole plant is a representative data. This valuation takes reference to the average power generation hours of generating units within CGN in the past three years as the estimation basis.

D. Time for official commercial operation

According to the construction plan of the project company, Unit 1 is expected to put into production in 2025, while Unit 2 is expected to put into production in 2026. At present, the project construction is progressing normally.

E. On-grid tariff

China's nuclear on-grid tariff regime has evolved through several stages and is now based on a dual-track system: "protected on-grid electricity" is settled at the government-approved tariff for each unit, while "market-based on-grid electricity" is priced through competitive power market transactions. As guaranteed-volume quotas vary by nuclear plants, the proportion of market-traded power differs widely. In addition, market prices have been volatile over the year. As the future rate of market-based transaction of commercial generating units in operation and future market tariff cannot be accurately estimated, Huizhou Nuclear Power has made estimation based on the on-grid tariff during the commissioning phase and the on-grid tariff for prioritized power generation during commercial operation phase as stipulated under the contracted electricity purchase agreements, taking into account the expectations on future electricity market and relevant policies.

F. Expenses on the two rules and supplementary services

Expenses on the two rules and supplementary services for future forecast years are estimated based on the average expenses on the two rules and supplementary services of generating units in operation within CGN for the past three years as provided by the client and the appraised entity.

G. Forecast of sales revenue of electricity of Huizhou Nuclear Power for future years

Sales revenue = on-grid power generation × (composited on-grid tariff (tax exclusive) – expenses on the two rules and supplementary services)

③ Forecast of operating costs

It is expected that the major operating costs of Huizhou Nuclear Power upon the commencement of production will include nuclear fuelling costs, spent fuel management costs, labour costs, depreciation and amortization, outage costs, material costs, low and medium level radioactive waste management costs, nuclear emergency costs, insurance premiums, administrative management expenses, and other expenses on ordinary operations. The forecast in this valuation is conducted based on the Feasibility Study Report, as well as the annual operating cost information of similar developed nuclear power generating plant projects as provided by the client and the appraised entity.

④ Forecast of revenue from other business operations and other costs of business operations

As communicated with the management of the appraised entity, it is expected that there will be no other business to be conducted by the enterprise in the future. Revenue from other business operations and other costs of business operations will no longer be individually estimated in this valuation.

⑤ Forecast of tax and surcharges

Tax and surcharges of Huizhou Nuclear Power primarily include urban maintenance surcharges, education surcharges, local education surcharges, stamp duty, real estate tax and land use tax etc. The tax base for urban maintenance surcharges, education surcharges and local education surcharges is value-added tax amount. Among which, the tax rate for urban maintenance surcharges, education surcharges and local education surcharges is 5%, 3% and 2%, respectively. Stamp duty is calculated at 0.03% of the contracted amount. Real estate tax and land use tax are estimated based on the company's estimation. Value-added tax payable is calculated based on the estimated operating revenue and operating costs of the enterprise in future years, and the operating tax and surcharges of the enterprise for future years are estimated on such basis.

⑥ Forecast of selling expenses, administrative expenses and research and development expenses

The selling expenses, administrative expenses and research and development expenses of the project company are all included in operating costs. This valuation does not separately forecast selling expenses, administrative expenses and research and development expenses.

⑦ Forecast of finance costs

A. Financial costs from project loans

Based on the Feasibility Study Report and the planning of the project company, the planned borrowing amount for the project is 80% of the total investment. Principal repayments are scheduled to commence in 2028, with a repayment period of 23 years, and the principal is expected to be fully repaid by 2050. For this valuation, interest is calculated using the LPR rate of 3.60% as at the benchmark date.

B. Financial costs from cost of decommissioning of nuclear power facilities

In accordance with the project investment evaluation indicators of CGN, the cost of decommissioning of nuclear power facilities is calculated as a certain percentage of the original value of the nuclear power fixed assets as the terminal value of the decommissioned assets, and the present value at the time of commissioning is calculated using an appropriate discount rate as the present value of the decommissioned assets. Thereafter, depreciation is accrued over the operation period based on the present value, with a residual value of 0.

In the first year of operation of the power station, the same amount is recognized in the "provisions" item. The provision is then increased annually by interest calculated at an appropriate rate until the final year of operation. The interest accrued on provisions is recorded as financial costs of the company.

After the end of the operation period, the cash outflow for decommissioning payment occurs. The provision is reduced by the same amount as the principal repayment. After the repayment is completed, the provision balance becomes zero.

⑧ Forecast of other gains

Pursuant to the Circular of the Ministry of Finance and State Administration of Taxation on Relevant Issues Concerning Taxation in Nuclear Power Industry (Cai Shui [2008] No. 38), production and sales of power products by nuclear power generation enterprises shall all be entitled to the "levy first, refund later" value-added tax policy within 15 years from the month after the official commencement of commercial production of their power generating units. The refund ratio will be gradually reduced in three stages. The specific refund ratios are:

Within 5 years from the month after the official commencement of commercial production, refund ratio is 75% of deposited tax;

Between the 6th to 10th year from the month after the official commencement of commercial production, refund ratio is 70% of deposited tax;

Between the 11th to 15th year from the month after the official commencement of commercial production, refund ratio is 55% of deposited tax;

After 15 years from the month after the official commencement of commercial production, the "levy first, refund later" value-added tax policy is no longer applicable.

For nuclear power generation enterprises, the value-added tax refunds are calculated separately for each nuclear power generating unit, and the enterprises shall calculate the sales volume of power products of their nuclear power generating units separately. Taking into account the same installed capacity of both units, the value-added tax attributable to each unit is assumed to be identical in this valuation. The value-added tax may be apportioned equally based on their respective time of commencement of operation, and the refund amount for each unit shall be calculated accordingly.

⑨ Forecast of income tax

Pursuant to the Notice of the Ministry of Finance and State Administration of Taxation on Issues Relevant to Implementation of the List of Public Infrastructure Projects Enjoying Enterprise Income Tax Preferences (Cai Shui [2008] No. 46), the Notice of the State Administration of Taxation on the Implementation of Enterprise Income Tax Preferential Policies for Public Infrastructure Projects Supported by the State (Guo Shui Fa [2009] No. 80) and the Supplementary Notice of the Ministry of Finance and State Administration of Taxation on the Preferential Enterprise Income Tax Policies for Public Infrastructure Projects (Cai Shui [2014] No. 55), for the approved public infrastructure projects after January 1, 2008, the income derived from their investment and operation shall be exempted from enterprise income tax for the first three years, starting from the tax year in which the project generates revenue from production and operation for the first time. From the fourth to the sixth year, enterprise income tax shall be levied at half the applicable rate. For subsequent periods, enterprise income tax shall be calculated at the applicable tax rate for the enterprise.

The appraised entity is entitled to the preferential enterprise income tax incentives of three years of exemption and three years of reduction by half starting from the year of commencement of production. The tax incentives are calculated separately for each nuclear power generating unit. In particular, Unit 1 shall enjoy the preferential income tax policy from January 1, 2025, while Unit 2 shall enjoy the preferential income tax policy from January 1, 2026. Taking into account the same installed capacity of both units, the enterprise income tax attributable to each unit is assumed to be identical in this valuation. The income tax may be apportioned equally based on their respective time of commencement of operation, and the incentive amount for each unit shall be calculated accordingly.

⑩ Forecast of depreciation and amortization

The forecast of depreciation and amortization is primarily based on the existing asset size of the enterprise, taking into account the additional capital expenditures after the Valuation Benchmark Date. The future depreciation and amortization amounts during the future operation period are estimated in accordance with the depreciation and amortization policies for fixed assets of the enterprise.

Huizhou Nuclear Power is still in the investment and construction phase. After the facilities under investment and construction reach their intended conditions of use, the company will classify the invested and constructed assets based on asset categories, which are broadly categorized as nuclear islands – machinery, nuclear islands – electricity, nuclear islands – instruments, nuclear islands – buildings and structures, conventional islands and auxiliary systems – machinery, conventional islands and auxiliary systems – electricity, conventional islands and auxiliary systems – instruments, conventional islands and auxiliary systems – buildings and structures, land use rights and sea area use rights, two-thirds of the initial nuclear fuelling costs, and cost of decommissioning of nuclear power facilities, etc. The depreciation and amortization amounts for future years will be calculated based on the specific characteristics of the various assets formed from the expected investment and construction. After these assets reach their intended conditions of use, depreciation and amortization will be accrued separately according to different depreciation and amortization methods, depreciation and amortization periods, and residual value rates.

⑪ Forecast of capital expenditures

Based on the going concern assumption, certain capital expenditures shall be taken into account in future years to maintain asset renewal and basic reproduction of the enterprise.

The major capital expenditure items include subsequent project investments and investments renewed during the production period. The timing and amount of expenditures are calculated based on the construction plan and subsequent renewal and renovation plans provided by the enterprise.

The annual capital expenditures required for production renewal during the operation period are forecasted based on the useful life of various assets in the nuclear island, conventional island and BOP (Balance of Plant) facilities. Appropriate adjustments are made as the decommissioning phase approaches.

At the end of the operation period of the project, the nuclear power station will face decommissioning. Decommissioning involves the process of decontamination and dismantlement after commercial operation ends, aiming to achieve unrestricted use of the site. Based on the estimated decommissioning cost provided by the project company, this expenditure will be incurred at the end of the operation period along with the shutdown of the units.

⑫ Forecast of increase in working capital

In general, as the enterprise expands the scope or size of its business operations, its normal business credit extended to customers will increase accordingly, along with an increase in the cash balance required to meet its daily operating payments, thereby requiring more working capital. However, the enterprise may also reduce immediate payments by obtaining normal business credit from its suppliers, which correspondingly saves a portion of working capital.

Changes in working capital are a component of cash flow. "Working capital" refers to the difference between "current assets (excluding surplus funds)" required for normal operations and "non-interest-bearing current liabilities". Interest-bearing current liabilities fall under financing cash flows and do not belong to the scope of "production and operation", and thus should be deducted from current liabilities.

Annual working capital = (current assets – surplus funds – non-operating current assets) – (current liabilities – short-term borrowings – non-operating current liabilities)

Increase in working capital = working capital amount of the current year – working capital amount of the previous year

Taking into account the characteristics of the nuclear power industry and based on an analysis of various items in the balance sheet of the enterprise, the working capital forecast primarily considered items including monetary funds, accounts receivable, prepayments, inventories and accounts payable in this valuation.

⑬ Determination of recovery of terminal value

The determination of the terminal value of the enterprise primarily considers the recoverable amount of working capital and fixed assets as at the end of the period.

(3) Determination of discount rate

① The discount rate model adopted

In accordance with the principle of consistency between income and discount rates, the income for this valuation are based on the free cash flow of the enterprise, and the discount rate is determined using the weighted average cost of capital (WACC) valuation model.

Formula for the WACC model:

$$WACC = K_e \times \frac{E}{D + E} + K_d \times \frac{D}{D + E} \times (1 - T)$$

Where: K_e: cost of equity capital

E: market value of equity

K_d: cost of debt capital

D: market value of the interest-bearing debts

T: income tax rate

② The cost of equity capital is calculated by using the capital asset pricing model (CAPM).

Formula for the CAPM model:

$$K_e = R_f + \beta \times ERP + R_c$$

Where: R_f: risk-free interest rate

ERP: equity risk premium

R_c: enterprise-specific risk adjustment coefficient

β: forecasted market risk coefficient of the cost of equity of the appraised entity

③ Determination of relevant parameters in the model

A. Selection of comparable companies

As the appraised entity is mainly engaged in the electricity production and sales business, we initially adopted the following basic criteria as the selection criteria for screening comparable companies in this valuation:

- The comparable companies shall have been profitable in the past two years;
- The shares of the comparable companies must have been listed for at least two years;

- The comparable companies shall not have B shares, ST shares or BJ-shares;

- The comparable companies shall be engaged in or shall be mainly engaged in the electricity production and sales industry, or be subject to the same economic factors, and have been mainly engaged in such industry for at least 2 years.

Based on the aforementioned four principles, we used RoyalFlush iFinD to conduct the screening, and ultimately selected 33 listed companies engaged in the electricity production and supply industry as comparable companies.

For this valuation, the RoyalFlush iFinD system was used to retrieve the stock price volatility of the aforementioned comparable companies and the volatility of the CSI 300 Index. The comparable companies were determined after passing the t-test.

B. Determination of cost of equity capital (Ke)

a. Determination of risk-free rate of return (R_f):

The yield of treasury bonds is usually considered to be risk-free because the risk of holding such bonds that cannot be repaid at maturity is so insignificant that it can be ignored.

This valuation used the yield to maturity of treasury bonds with a remaining term of 10 years or more from the Valuation Benchmark Date to the maturity date of the treasury bonds as the risk-free rate of return, as retrieved on the RoyalFlush iFinD system.

We used the average of the abovementioned yield to maturity of treasury bonds of 1.97% as the risk-free rate of return for this valuation.

b. Determination of market risk coefficient of equity (β):

Based on the business characteristics of the appraised entity, the valuer retrieved the β_L values with financial leverage of 33 comparable A-share listed companies in Shanghai and Shenzhen on February 28, 2025 on the RoyalFlush iFinD system, and subsequently converted them into β_U values without financial leverage based on the income tax rate and capital structure of these comparable listed companies.

Based on the β_U values without financial leverage of multiple comparable listed companies, the average value of 0.4213 was adopted as the β_U value for the appraised entity. The average capital structure of the comparable listed companies, i.e. 98.75%, was used as the target capital structure for the appraised entity. Combined with the income tax rate applicable to the appraised entity during the forecast period (Huizhou Nuclear Power is entitled to the preferential income tax policy of three years of exemption and three years of reduction by half for public infrastructure projects. Accordingly, the enterprise income tax rate is considered to be 0% for 2025 to 2027, 12.5% for 2028 to 2030, and 25% for 2031 and subsequent years), the parameters were substituted into the formula for calculating the equity systematic risk coefficient to calculate the equity system risk coefficient of the appraised entity. The calculation formula is as follows:

$$\beta_L = \beta_U \times [1 + (1 - T) \times \frac{D}{E}]$$

Where: β_L: β coefficient with financial leverage

β_U: β coefficient without financial leverage

T: income tax rate

Since the above process of calculating the β coefficient is based on historical data, the βU value without financial leverage we have actually estimated is a historical β coefficient rather than a forward-looking expected β coefficient. To estimate the expected future β coefficient, the Blume Adjustment method is applied. The formula is as follows:

$$\beta_{\text{adj}} = \frac{2}{3} \times \beta_{\text{unadj}} + \frac{1}{3} \times 1$$

Where: β_{adj} : adjusted β value, β_{unadj} : historical β value.

c. Determination of equity risk premium (ERP):

Equity risk premium refers to the expected excess return required by investors for equity investment with the same overall market average risk, i.e. risk compensation in excess of the risk-free interest rate. In particular, the rate of return on equity investment (Rm) used the RoyalFlush iFinD data terminal to select the CSI 300 Index, the most representative index of the Chinese stock market, and the closing prices (adjusted prices) of the constituent stocks of the CSI 300 Index at different times each year. With a cycle of 10 years, a rolling method was used to estimate the 10-year geometric average return of each of the 300 stocks.

The risk-free rate of return (R_{f1}) was the yield to maturity of treasury bonds. With the RoyalFlush iFinD data terminal, the average yield to maturity of treasury bonds with a remaining term of 10 years or more to maturity at the corresponding time point of each year in the past ten years was selected as the risk-free rate of return.

Based on the above estimates, the equity risk premium (ERP) was 6.72%.

d. Determination of enterprise-specific risk adjustment coefficient (Rc)

Enterprise-specific risk adjustment coefficient refers to the specific risks of an enterprise relative to its industry peers. Key influencing factors include business size, projected operating conditions, stage of project construction, product and regional distribution of business operations, internal management and control mechanisms, experience and qualifications of management personnel, dependence on major customers and suppliers, and financial risks, among others. For this valuation, upon comprehensive consideration of the above factors, the specific risk premium rate was determined as 2.45%.

e. Determination of cost of equity capital

Substituting the above parameters into the formula:

$$K_e = R_f + \beta \times ERP + R_c$$

Year	2025 to 2027	2028 to 2030	2031 and subsequent years
Ke	10.41%	10.18%	9.95%

③ Determination of cost of debt capital (Kd)

In this valuation, the cost of debt capital was determined using the five-year loan prime rate (LPR) of 3.60% published by the People's Bank of China as at the Valuation Benchmark Date.

④ Determination of weighted average cost of capital

$$WACC = K_e \times \frac{E}{D + E} + K_d \times \frac{D}{D + E} \times (1 - T)$$

Substituting the parameters as determined above into the formula for weighted average cost of capital, the weighted average cost of capital so calculated for the appraised entity for future years are as follows:

Year	2025 to 2027	2028 to 2030	2031 and subsequent years
WACC	7.03%	6.69%	6.35%

3. Calculation in Valuation and Process of Analysis

(1) Determination process of value of operating assets

Based on the parameters determined by the above analysis and forecast, and by discounting the free cash flow of the enterprise forecasted for each year within the income period, the operating assets of the enterprise were calculated at RMB41,596.9995 million.

(2) Determination of value of surplus assets

Surplus assets refer to those assets that exceed the normal operational requirements of the enterprise and are not included in the free cash flow forecast of the enterprise. Based on the analysis, no surplus assets were identified in the appraised entity.

(3) Determination of value of non-operating assets and liabilities

Non-operating assets and liabilities refer to those assets and liabilities that are not related to the production and operation of the appraised entity and are not included in the free cash flow forecast of the enterprise after the Valuation Benchmark Date.

Based on the analysis, the appraised entity is still under project construction, and has not yet officially commenced commercial operation. Therefore, as at the Valuation Benchmark Date, the assets and liabilities of the appraised entity, including monetary funds, prepayments, other payables, inventories, investment properties, fixed assets – properties purchased, right-of-use assets, other non-current assets – nuclear fuel refueling costs, accounts payable, employee benefits payable, taxes payable, other payables and non-current liabilities due within one year, were accounted for as non-operating assets and liabilities and appraised using an appropriate approach. The appraised value of non-operating assets was RMB1,842.6896 million, and the appraised value of non-operating liabilities was RMB358.1497 million.

4. **Appraised Value Calculation Processes and Results**

(1) Calculation of overall enterprise value

Overall enterprise value = value of operating assets + value of non-operating assets – value of non-operating liabilities + value of surplus assets

= 4,159,699.95 + 184,268.96 – 35,814.97

= 4,308,153.94 (in RMB'0,000)

(2) Determination of interest-bearing debts

The interest-bearing debts of the appraised entity included short-term borrowings, long-term borrowings, and non-current liabilities due within one year. The verified carrying value of the interest-bearing debts was adopted as the appraised value, which amounted to RMB33,507.1146 million upon verification.

(3) Calculation of value of the entire equity interests

Based on the above valuation work, the value of the entire equity interests of CGN Huizhou Nuclear Power Co., Ltd.* was:

Value of the entire equity interests = overall enterprise value – value of interest-bearing debts

= 4,308,153.94 – 3,350,711.46

= 957,442.48 (in RMB'0,000)

VII. CONCLUSION AND ANALYSIS OF VALUATION

(I) Conclusion of Valuation

1. Valuation Results by Asset-based Approach

As at the Valuation Benchmark Date, subject to the fulfilment of the valuation assumptions, the asset-based approach was used for valuation. The carrying value of total assets of CGN Huizhou Nuclear Power Co., Ltd.* was RMB42,162.6297 million. The appraised value was RMB43,649.0862 million. The appreciation amount was RMB1,486.4565 million and the appreciation rate was 3.53%. The carrying value of total liabilities was RMB33,865.3032 million. The appraised value was RMB33,865.3032 million. The appreciation amount was RMB0 and the appreciation rate was 0%. The carrying value of net assets was RMB8,297.3264 million. The appraised value of the entire equity interests was RMB9,783.7830 million. The appreciation amount was RMB1,486.4565 million and the appreciation rate was 17.91%. The valuation results of various types of assets and liabilities are shown in the table below:

Summary of asset valuation results

Unit: RMB'0,000

Item		Carrying value A	Appraised value B	Appreciation or depreciation C=B-A	Appreciation rate % D=C/A×100
Current assets	1	66,665.74	66,665.74	–	–
Non-current assets	2	4,149,597.22	4,298,242.88	148,645.65	3.58
Including: Investment properties	3	1,183.56	1,706.50	522.94	44.18
Fixed assets	4	114,061.57	57,686.15	-56,375.42	-49.43
Construction in progress	5	3,403,728.58	3,584,909.24	181,180.66	5.32
Right-of-use assets	6	2.72	2.72	–	–
Intangible assets	7	50,746.86	74,064.33	23,317.47	45.95
Other non-current assets	8	579,873.93	579,873.93	–	–
Total assets	9	4,216,262.97	4,364,908.62	148,645.65	3.53
Current liabilities	10	151,208.33	151,208.33	–	–
Non-current liabilities	11	3,235,321.99	3,235,321.99	–	–
Total liabilities	12	3,386,530.32	3,386,530.32	–	–
Net assets (owner's equity)	13	829,732.64	978,378.30	148,645.65	17.91

2. Valuation Results by Income Approach

As at the Valuation Benchmark Date, the carrying value of total assets of CGN Huizhou Nuclear Power Co., Ltd.* was RMB42,162.6297 million (rounded to four decimal places, the same below). The carrying value of total liabilities was RMB33,865.3032 million. The carrying value of net assets was RMB8,297.3264 million. Subject to the fulfilment of the valuation assumptions, the appraised value of the entire equity interests obtained by income approach was RMB9,574.4248 million. The appreciation amount was RMB1,277.0983 million and the appreciation rate was 15.39%.

(II) Determination of Valuation Conclusion

1. Analysis on Difference

The appraised value of the entire equity interests obtained by income approach was RMB9,574.4248 million, while the appraised value of the entire equity interests obtained by asset-based approach was RMB9,783.7830 million, between which the difference was RMB209.3582 million and the difference rate was 2.14%. The major reasons for the difference between the two valuation approaches are as follows:

Under asset-based approach, the appraised value of an enterprise is determined based on the balance sheet of the enterprise, which may be greatly affected by the asset replacement costs, depreciation status, asset quality and other factors; while under income approach, the value of an enterprise is reflected mainly from the perspective of the net cash flow generated from the operating activities of the enterprise in the future, which may be greatly affected by the future profitability and operational risks of the enterprise. Accordingly, different influencing factors lead to different valuation results.

2. Selection and Rationality Analysis of Valuation Results

CGN Huizhou Nuclear Power Co., Ltd.*, as a nuclear energy development project company, is responsible for the development, construction and operation of the Huizhou Phase I Project. At this stage, the nuclear power project is still in the investment and construction phase, and has not yet officially commenced commercial operation. Through an analysis of the calculation processes of these two approaches and the quality of the parameters adopted, we identified significant uncertainties in the parameters related to the construction, production and economic indicators of such nuclear power project. In particular, the electricity tariff level is heavily influenced by the macroeconomic environment and relevant industry policies in the PRC, and remains subject to potential substantial fluctuations in the foreseeable future, which may lead to considerable uncertainty in the future profitability of such company. When adopting income approach in calculation, the asset valuation professionals conducted a prudent analysis and judgment on factors affecting the future revenue and operational risks of the appraised entity, based on the macroeconomic environment, the market conditions of the industry in which such enterprise operates, and the specific circumstances of the appraised

entity. Nevertheless, the aforementioned factors may still have certain impacts on the accuracy of the valuation results obtained by income approach, while the market value of assets is appraised and estimated from the perspective of asset replacement under asset-based approach, which may give an objective reflection of the market value of the enterprise at the current stage.

In conclusion, we consider the quality of the data used in asset-based approach to be superior to that of income approach. Therefore, the asset-based approach has been selected as the basis for the final valuation conclusion in this valuation.

Under asset-based approach, the value of the entire equity interests of CGN Huizhou Nuclear Power Co., Ltd.* on the Valuation Benchmark Date was RMB9,783.7830 million.

Summary of Asset Valuation Report of the Proposed Transfer of Equity Interests by China General Nuclear Power Corporation Involving Entire Equity Interests in CGN Huizhou No. 2 Nuclear Power Co., Ltd.

I. BASIC INFORMATION ABOUT THE VALUATION

Purpose of the valuation: China General Nuclear Power Corporation* intends to transfer its equity interests in CGN Huizhou No. 2 Nuclear Power Co., Ltd.*. Hence, the market value of the entire equity interests in CGN Huizhou No. 2 Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date has to be assessed in order to provide value reference for the above economic activity.

Subject of valuation: Entire equity interests in CGN Huizhou No. 2 Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date.

Scope of valuation: All audited assets and liabilities of CGN Huizhou No. 2 Nuclear Power Co., Ltd.* reported as at the Valuation Benchmark Date, including current assets, non-current assets, current liability and non-current liability.

Valuation Benchmark Date: February 28, 2025.

Type of value: Market value.

II. SCOPE OF WORK

The scope of work of the valuer includes: (1) defining the fundamental engagement matters; (2) entering into an engagement agreement; (3) preparing the valuation work plan; (4) performing on-site investigation; (5) collecting and organizing valuation data; (6) conducting valuation analysis and forming conclusions; (7) preparing and issuing the valuation report.

III. SOURCE OF INFORMATION

In valuing the 100% equity interests in the target company, the valuer has reviewed information obtained from various sources, including but not limited to:

1. Various laws and regulations issued by the PRC;

2. Various valuation standards and valuation guidance opinions issued by the PRC;

* *For identification purpose only*

3. Financial statements and audit report as at the Valuation Benchmark Date and for prior years as provided by the appraised entity;

4. Other information required for valuation as provided by the client and the appraised entity;

5. Other information about the valuation as recorded and collected by the valuer during on-site inspection.

IV. VALUATION METHODS AND REASONS FOR SELECTION

1. Overview of Valuation Methods

Business valuation methods primarily include asset-based approach, income approach and market approach.

The asset-based approach in business valuation refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity at the Valuation Benchmark Date.

Income approach in business valuation refers to the valuation method of determining the value of the appraised entity by capitalizing or discounting the expected income. Common methods used in income approach include dividend discount method and cash flow discount method.

Market approach in business valuation refers to the valuation method of determining the value of the appraised subject by comparing the appraised subject with comparable listed companies or comparable transaction cases. Two common methods used in market approach are listed company comparison method and transaction case comparison method.

2. Selection of Valuation Methods for Subject Assets

According to the Guidelines for the Practice of Asset Appraisal – Business Value, the valuer analyzes the applicability of the three basic valuation methods, namely income approach, market approach and asset-based approach, and select the valuation method based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances in performing the business valuation engagement.

Based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances, as well as the applicability of the three basic valuation methods, asset-based approach is selected for the valuation. Reasons for selection of valuation method are as follows:

Reasons for not using market approach: In view of the limited number of comparable listed companies in China's capital markets that are in the same industry as the appraised entity, and given that the appraised entity was still under construction as of the Valuation Benchmark Date, market data on comparable transaction cases could not be obtained. Hence, the objective conditions necessary for adopting the market approach were not met for this valuation.

Reasons for not using income approach: Upon investigation on the appraised entity, it is understood that the appraised entity is in the preliminary phase of project construction, and has not commenced FCD as at the Valuation Benchmark Date. As the subsequent investment and construction cycle of the project is long, its future earnings cannot be accurately estimated and measured in monetary terms. It is difficult to predict and quantify the risks associated with obtaining those future earnings. Hence, the objective conditions necessary for adopting the income approach were not met for this valuation.

Reasons for selecting asset-based approach: Taking into account of the details on various assets and liabilities of the appraised entity obtained in the valuation, the valuer can conduct valuation on various assets and liabilities by adopting appropriate valuation methods, which fulfills the conditions for asset-based valuation. Hence, asset-based approach has been selected for conducting valuation.

V. VALUATION ASSUMPTIONS

(I) General Assumptions

1. Transaction assumption: It is assumed that all assets to be appraised have already 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 refers to the fact that the assets can be traded freely in a competitive market where the price is determined by independent buyer-seller valuation judgment on assets under certain supply-demand environment. Open market refers to a competitive market with many buyers and sellers. In this market, the positions of buyers and sellers are equal, and they both have the opportunity and time to obtain sufficient market information. The trading behavior of the buyers and sellers is carried out voluntarily and rationally, rather than under compulsion or unconstrained conditions;

3. It is assumed that there will be no material changes in relevant prevailing laws, regulations and policies of China and its macroeconomic situation. There will be no material changes in the political, economic and social environment of the regions where the parties to this transaction are located;

4. Based on the actual status of the assets on the Valuation Benchmark Date, it is assumed that the appraised entity can continue on an ongoing basis;

5. It is assumed that there will be no material changes in the tax basis and tax rate, policy levies in relation to the appraised entity after the Valuation Benchmark Date;

6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;

7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

8. 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.

(II) Special Assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date will remain materially consistent with the those used in the preparation of this valuation report;

2. It is assumed that, after the Valuation Benchmark Date, the business scope and mode of the appraised entity will be consistent with the current status on the basis of the existing management method and management level;

3. It is assumed that all information in relation to the valuation provided by the client and the appraised entity is true, complete, and legally valid.

The valuation conclusion of the valuation report is made based on the above assumptions on the Valuation Benchmark Date.

VI. TECHNICAL DESCRIPTION OF VALUATION

(I) Technical Description of Valuation with Asset-based Approach

1. Description of Valuation of Current Assets

(1) Scope of valuation

Current assets included in the scope of valuation consist of monetary funds and other receivables.

(2) Valuation methodology and process

① Monetary funds

Monetary funds consist of bank deposits with carrying value of RMB35,175,684.72.

The appraised value of bank deposits was RMB35,175,684.72, without appreciation nor depreciation in valuation.

② Other receivables

The book balance of other receivables as at the Valuation Benchmark Date was RMB219.79 with no provision made for bad debts. The net carrying value was RMB219.79. It accounted for refund for travelling expenses of the entity.

The appraised value of other receivables was RMB219.79, without appreciation nor depreciation in valuation.

(3) Valuation result

The appraised value of current assets was RMB35,175,904.51, without appreciation nor depreciation in valuation.

2. Description of Valuation of Non-current Assets

(1) Description of valuation of buildings (structures)

① Scope of valuation

The buildings included in the scope of valuation refer to the buildings (structures) owned by CGN Huizhou No. 2 Nuclear Power Co., Ltd.*, which primarily include the shift dormitory, indoor activity center and outdoor sports ground (including basketball court, tennis court and athletics field) located in front of Taipingling Nuclear Power Plant in Dongtou Village, Huangbu Town, Huidong County, Huizhou, Guangdong Province. Details are set out in the table below:

Unit: RMB

Item	Number	Area (m^2)	Book balance	
			Original carrying value	Net carrying value
Buildings	5	48,719.26	116,217,378.29	104,005,520.35
Total for buildings (structures)	**5**	**48,719.26**	**116,217,378.29**	**104,005,520.35**

② Valuation method

The replacement cost approach is used for the valuation of buildings (structures) of the appraised entity taking into account their characteristics, intended use, information availability, and the active level of market transactions in their locations.

Appraised value of buildings = replacement cost × newness rate

③ Valuation result and analysis

The result of the valuation of buildings (structures) within the scope of valuation is set out below:

Summary of result of valuation of buildings

Unit: RMB

		Carrying value		Appraised value		Appreciation rate %	
No.	Item	Original value	Net value	Original value	Net value	Original value	Net value
1	Buildings	116,217,378.29	104,005,520.35	114,394,900.00	109,127,783.00	-1.57	4.92
2	**Total for buildings**	**116,217,378.29**	**104,005,520.35**	**114,394,900.00**	**109,127,783.00**	**-1.57**	**4.92**

Analysis on reasons for appreciation or depreciation in valuation

A. Depreciation in original value of buildings was mainly due to the decrease in price of certain major materials during the period from the date of completion of assets until the Valuation Benchmark Date, resulting in decline in construction cost level. The carrying value of amortized expenses was higher than the upfront cost under normal estimation, which also contributed to the depreciation in original value.

B. Appreciation in net value was mainly due to the economic life used in the valuation was longer than the accounting depreciation term of the entity.

(2) Construction in progress

① Scope of valuation

The carrying value of construction in progress included in the scope of valuation was RMB5,672,290,638.65, which primarily consisted of the upfront cost, design and inspection expense, construction fee, equipment cost, land acquisition and cleaning cost, interests for construction phase and other costs for Huizhou Project Phase II.

Huizhou Project Phase II is located in Huizhou, Guangdong Province. It is planned to construct 2 sets of HPR1000 generating units, which will be constructed and operated by CGN Huizhou No. 2 Nuclear Power Co., Ltd.* (hereinafter refer to as "Huizhou Project Phase II").

② Valuation method

The construction in progress included in the scope of valuation includes various upfront cost, project commencement fee, construction fee and administrative fee etc. The asset valuer verifies the composition of carrying value through communication with officers from financial, investment and engineering departments of the appraised entity, and review of relevant accounting books, certificates, contracts, payment invoices and other information. Taking into account the characteristics of construction in progress under this project, in order to avoid asset measurement repetition and asset value omission, based on different information collected, the valuer has analyzed specific conditions of various construction in progress, and adopted the following valuation methods:

In respect of the construction of main building of the nuclear power plant (general contracted items), the evaluated entity is unable to accurately distinguish the book values of each ongoing subitems, and the engineering cost of subitems cannot be individually re-calculated under the valuation;

Due to the long performance period of the general contract, the general contractor usually takes into account inflation when entering into construction contract with enterprise. Hence, the progress payment has already reflected the impacts of price fluctuation on engineering cost. Consequently, based on the principle of prudence, the appraised value for general contracted items is determined at the recalculated fund cost with verified actual payment as estimation basis.

③ Valuation result and analysis

Valuation result is set out in table below:

Summary of result of the valuation of construction in progress

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate
Construction in progress	5,672,290,638.65	5,792,652,165.78	120,361,527.13	2.12%
Total	**5,672,290,638.65**	**5,792,652,165.78**	**120,361,527.13**	**2.12%**

Analysis on reasons for appreciation or depreciation in valuation

The appreciation in valuation of construction in progress was RMB120,361,527.13, with appreciation rate of 2.12%. The appreciation in valuation was mainly due to: the re-estimation of various fund cost corresponding to the reasonable expenses of construction in progress at reasonable work schedule and interest rate.

(3) Technical description of valuation of land use right

① Scope of valuation

The land parcel of land included in the scope of valuation is located at Shapu Village, Huangbu Town, Huidong County, Huizhou, Guangdong Province. The real estate ownership certificate (Huidong County Real Estate Ownership Certificate Yue [2024] No. 0041180) was obtained through transfer, with CGN Huizhou No. 2 Nuclear Power Co., Ltd.* as the registered owner and Huidong County Bureau of Natural Resources as the transferor. The land with site area of 34,262.06 m^2 is free of any encumbrances, with term of land use for 50 years commencing from November 5, 2024 to November 4, 2074. After 0.28 year of use, the remaining term of use is 49.72 years. The construction of ground leveling and access to water, electricity, telecommunication, road and sewage has completed outside the boundary of the land parcel. Its carrying value was RMB31,568,749.20.

② Valuation method

The common valuation methods for land use right include market comparison approach, income capitalization approach, hypothetical development approach, cost approximation approach and benchmark land premium coefficient modification etc. On the basis of on-site inspection and relevant market research, taking into account the location of land to be appraised, land usage, usage conditions, local land market, available information and the applicability of relevant valuation methods, the valuer adopts market approach and benchmark land premium coefficient modification for the valuation of land use right.

③ Valuation result and analysis

Upon on-site inspection and analysis on local real estate market environment by the valuer, in accordance with basic principle for land premium valuation and valuation procedures, both market approach and benchmark land premium coefficient modification fulfill relevant requirements. Hence, these two approaches are used in the valuation. However, as the benchmark land premium is the regional average price, the specific modification on individual land parcel is insufficient, resulting in deviation between the valuation result and actual value. The conclusion based on market approach, which is closer to actual transaction price, has been selected as the final conclusion.

Summary of result of the valuation of land use right

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate
Intangible assets – land use right	31,568,749.20	31,812,069.00	243,319.80	0.77%
Total	**31,568,749.20**	**31,812,069.00**	**243,319.80**	**0.77%**

Analysis on reasons for appreciation or depreciation in valuation

The appreciation in land use right was RMB243,319.80, with appreciation rate of 0.77%. The appreciation in valuation was mainly due to: The land demand in Huidong County is high over the years. Couple with the boost in land use value and attractiveness attributable to government plans and infrastructure construction over the years, there is appreciation in land use right.

(4) Technical description of valuation of sea area use right

① Scope of valuation

A total of 8 sea area use rights are included in the scope of valuation, with carrying value of RMB10,913,491.77, and located in sea area near Taipingling, Huidong County, Huizhou, Guangdong Province. The types of sea use right are industrial use/power industry use. The sea use patterns include permeable structure, non-permeable structure, water intake, water discharge, land reclamation, special-purpose waterway, anchorage and other open patterns etc.

② Valuation method

In accordance with the Technical Specification for Sea Area Price Assessment (HY/T 0288-2020) and the Notice on Issuing the Guidelines for Sea Area Valuation Techniques (Guo Hai Guan Zi [2013] No. 708), the principles to be complied when assessing sea area prices include the principle of anticipated revenue, the principle of most effective usage, the principle of substitution, the principle of market supply and demand, and the principle of contribution. Based on the characteristics of the subject sea area and the purpose of the valuation, the appropriate method is selected. The common valuation methods for sea area price include income capitalization approach, cost approximation approach, residual approach and market comparison approach.

At present, the trading market for sea area use right in Huizhou is immature. As it is lack of recent transaction in relation to sea area use right of the same type of sea area as the appraised subject within the supply-demand zone, market comparison approach is inappropriate for valuation. As the sea area to be appraised is for industrial use and cannot generate income separately, both income capitalization approach and residual approach are inappropriate for valuation. Upon inspection, it is understood that the acquisition cost and various expenses for the sea area to be appraised can be obtained in a reasonable way. Hence, the cost approximation approach is suitable for the valuation.

③ Valuation result and analysis

Summary of result of the valuation of sea area use right

Unit: RMB

Item	Carrying value	Appraised value	Appreciation or depreciation	Appreciation rate
Intangible assets – sea area use right	10,913,491.77	11,146,800.00	233,308.23	2.14%
Total	**10,913,491.77**	**11,146,800.00**	**233,308.23**	**2.14%**

Analysis on reasons for appreciation or depreciation in valuation

The appraised value of sea area use right was RMB11,146,800.00, with appreciation of RMB233,308.23 in valuation and appreciation rate of 2.14%. Reasons for appreciation in valuation: The original carrying value of sea area use right refers to the one-off royalties for sea area use. During valuation, the valuer has appraised the interests for sea area development, profit for sea area development and value-added income with reference to the Technical Specification for Sea Area Price Assessment (HY/T0288-2020), resulting in appreciation in valuation.

(5) Description of valuation of other non-current assets

The carrying value of other non-current assets included in the scope of valuation was RMB888,506,645.34, which included land premium paid to Huidong County Bureau of Natural Resources, prepayment for construction of long-term assets – China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) and value-added tax payable – input tax.

The appraised value of other non-current assets was RMB888,506,645.34, without appreciation nor depreciation in valuation.

3. Description of valuation of current liabilities

Current liabilities included in the scope of valuation include: short-term borrowings, accounts payable, taxes payable, other payables and non-current liabilities due within one year. The carrying value of the abovementioned liabilities as at the Valuation Benchmark Date is set out in table below:

Unit: RMB

Item	Carrying value
Short-term borrowings	973,900,936.59
Accounts payable	14,527,281.42
Taxes payable	357,575.33
Other payables	77,159.86
Non-current liabilities due within one year	18,425,469.81
Total current liabilities	**1,007,288,423.01**

On the basis of liabilities actually assumed by the appraised entity as at the Valuation Benchmark Date as the appraised value of liabilities, the appraised value of current liabilities was RMB1,007,288,423.01, without appreciation nor depreciation in valuation.

4. Description of valuation of non-current liabilities

Non-current liabilities included in the scope of valuation refer to long-term borrowings, with carrying value of RMB4,508,402,526.81. Items under valuation refer to various borrowings with a term of more than one year (exclusive) borrowed by the appraised entity from CGN Finance Co., Ltd. (中廣核財務有限責任公司), Huizhou branch of China Construction Bank Corporation, Huizhou Huicheng Sub-branch of Industrial and Commercial Bank of China Limited and China General Nuclear Power Corporation (中國廣核集團有限公司).

The appraised value of long-term borrowings was RMB4,508,402,526.81, without appreciation nor depreciation in valuation.

VII. CONCLUSION AND ANALYSIS OF VALUATION

As at the Valuation Benchmark Date, subject to the fulfilment of the valuation assumptions, the asset-based approach was used for valuation. The carrying value of total assets of CGN Huizhou No. 2 Nuclear Power Co., Ltd.* was RMB6,742.4609 million. The appraised value was RMB6,868.4214 million. The appreciation amount was RMB125.9604 million and the appreciation rate was 1.87%. The carrying value of total liabilities was RMB5,515.6909 million. The appraised value was RMB5,515.6909 million. The appreciation amount was RMB0 and the appreciation rate was 0%. The carrying value of net assets was RMB1,226.77 million. The appraised value of the entire equity interests was RMB1,352.7304 million. The appreciation amount was RMB125.9604 million and the appreciation rate was 10.27%.

The valuation results are shown in the table below:

Summary of asset valuation results
Valuation Benchmark Date: February 28, 2025

Unit: RMB'0,000

Item		Carrying value A	Appraised value B	Appreciation or depreciation C=B-A	Appreciation rate % D=C/A×100
Current assets	1	3,517.59	3,517.59	–	–
Non-current assets	2	670,728.50	683,324.55	12,596.04	1.88
Including: Fixed assets	3	10,400.55	10,912.78	512.23	4.92
Construction in progress	4	567,229.06	579,265.22	12,036.15	2.12
Intangible assets	5	4,248.22	4,295.89	47.66	1.12
Other non-current assets	6	88,850.66	88,850.66	–	–
Total assets	7	674,246.09	686,842.14	12,596.04	1.87
Current liabilities	8	100,728.84	100,728.84	–	–
Non-current liabilities	9	450,840.25	450,840.25	–	–
Total liabilities	10	551,569.09	551,569.09	–	–
Net assets (owner's equity)	11	122,677.00	135,273.04	12,596.04	10.27

For details on valuation results using asset-based approach, please refer to the valuation breakdown.

Under asset-based approach, the value of the entire equity interests of CGN Huizhou No. 2 Nuclear Power Co., Ltd.* on the Valuation Benchmark Date was RMB1,352.7304 million.

Summary of Asset Valuation Report of the Proposed Transfer of Equity Interests by China General Nuclear Power Corporation Involving Entire Equity Interests in CGN Huizhou No. 3 Nuclear Power Co., Ltd.

I. BASIC INFORMATION ABOUT THE VALUATION

Purpose of the valuation: China General Nuclear Power Corporation* intends to transfer its equity interests in CGN Huizhou No. 3 Nuclear Power Co., Ltd.*. Hence, the market value of the entire equity interests in CGN Huizhou No. 3 Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date has to be assessed in order to provide value reference for the above economic activity.

Subject of valuation: Entire equity interests in CGN Huizhou No. 3 Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date.

Scope of valuation: All audited assets and liabilities of CGN Huizhou No. 3 Nuclear Power Co., Ltd.* reported as at the Valuation Benchmark Date, subject to the valuation declaration form completed by the appraised entity.

Valuation Benchmark Date: February 28, 2025.

Type of value: Market value.

II. SCOPE OF WORK

The scope of work of the valuer includes: (1) defining the fundamental engagement matters; (2) entering into an engagement agreement; (3) preparing the valuation work plan; (4) performing on-site investigation; (5) collecting and organizing valuation data; (6) conducting valuation analysis and forming conclusions; (7) preparing and issuing the valuation report.

III. SOURCE OF INFORMATION

In valuing the 100% equity interests in the target company, the valuer has reviewed information obtained from various sources, including but not limited to:

1. Various laws and regulations issued by the PRC;

2. Various valuation standards and valuation guidance opinions issued by the PRC;

3. Audit report as at the Valuation Benchmark Date as provided by the appraised entity;

* *For identification purpose only*

4. Other information required for valuation as provided by the client and the appraised entity;

5. Other information about the valuation as collected by the valuer.

IV. VALUATION METHODS AND REASONS FOR SELECTION

1. Overview of Valuation Methods

Business valuation methods primarily include asset-based approach, income approach and market approach.

The asset-based approach in business valuation refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity at the Valuation Benchmark Date.

Income approach in business valuation refers to the valuation method of determining the value of the appraised entity by capitalizing or discounting the expected income. Common methods used in income approach include dividend discount method and cash flow discount method.

Market approach in business valuation refers to the valuation method of determining the value of the appraised subject by comparing the appraised subject with comparable listed companies or comparable transaction cases. Two common methods used in market approach are listed company comparison method and transaction case comparison method.

2. Selection of Valuation Methods for Subject Asset

According to the Guidelines for the Practice of Asset Appraisal – Business Value, the valuer analyzes the applicability of the three basic valuation methods, namely income approach, market approach and asset-based approach, and select the valuation method based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances in performing the business valuation engagement.

Based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances, as well as the applicability of the three basic valuation methods, asset-based approach is selected for the valuation. Reasons for selection of valuation method are as follows:

The asset-based approach refers to the valuation method that determines the value of the appraised entity based on the balance sheet of the appraised entity and reasonably assessing the value of various on- and off-balance sheet assets and liabilities of the appraised entity. Base on this valuation, the appraised entity can provide and the valuer can obtain sufficient information

from external sources necessary for asset-based approach, thereby commencing comprehensive inspection and valuation on assets and liabilities of the appraised entity. Hence, asset-based approach is suitable for this valuation.

The preconditions for adopting income approach are: Shareholders of the appraised entity have not yet made paid-in capital contribution. The appraised entity has not yet formulated specific future operational plan, and not yet officially commenced operation. Hence, its future earnings cannot be estimated and measured in monetary terms, and the risks associated with obtaining those future earnings cannot be quantified. Therefore, the conditions necessary for adopting the income approach were not met, and the adoption of income approach is not suitable for this valuation.

Huizhou No. 3 Nuclear Power is a non-listed company and has not yet commenced normal production and operation. Based on the characteristics of the economic activity corresponding to the objective of this valuation, as well as the operational information obtained through on-site inspection, the conditions necessary for adopting the market approach were not met, and the adoption of market approach is not suitable for this valuation.

V. VALUATION ASSUMPTIONS

(I) General Assumptions

1. Transaction assumption: It is assumed that all assets to be appraised have already 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 refers to the fact that the assets can be traded freely in a competitive market where the price is determined by independent buyer-seller valuation judgment on assets under certain supply-demand environment. Open market refers to a competitive market with many buyers and sellers. In this market, the positions of buyers and sellers are equal, and they both have the opportunity and time to obtain sufficient market information. The trading behavior of the buyers and sellers is carried out voluntarily and rationally, rather than under compulsion or unconstrained conditions;

3. It is assumed that there will be no material changes in relevant prevailing laws, regulations and policies of China and its macroeconomic situation. There will be no material changes in the political, economic and social environment of the regions where the parties to this transaction are located;

4. Based on the actual status of the assets on the Valuation Benchmark Date, it is assumed that the appraised entity can continue on an ongoing basis;

5. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

6. 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.

(II) Special Assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date will remain materially consistent with the those used in the preparation of this valuation report;

2. It is assumed that all information in relation to the valuation provided by the client and the appraised entity is true, complete, and legally valid;

3. It is assumed that, during the operation period, the appraised entity will not incur other off-balance employee remuneration expenses or other undeclared contingent liabilities, nor there will be other contingent liabilities arising from external guarantees or in relation to litigations.

The valuation conclusion of the valuation report is made based on the above assumptions on the Valuation Benchmark Date.

VI. TECHNICAL DESCRIPTION OF VALUATION

The asset-based approach in business valuation refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity at the Valuation Benchmark Date.

The total assets, total liabilities and entire equity interests included in the scope of valuation amounted to RMB0.00, RMB0.00 and RMB0.00, respectively.

Hence, the appraised value for total assets, total liabilities and entire equity interests amounted to RMB0.00, RMB0.00 and RMB0.00, respectively.

VII. CONCLUSION AND ANALYSIS OF VALUATION

As at the Valuation Benchmark Date, subject to the fulfilment of the valuation assumptions, the asset-based approach was used for valuation. The carrying value of total assets of CGN Huizhou No. 3 Nuclear Power Co., Ltd.* was RMB0.00. The appraised value was RMB0.00, without appreciation nor depreciation in valuation. The carrying value of total liabilities was RMB0.00. The appraised value was RMB0.00, without appreciation nor depreciation in valuation. The carrying value of net assets was RMB0.00. The appraised value of the entire equity interests was RMB0.00, without appreciation nor depreciation in valuation.

Summary of Asset Valuation Report of the Proposed Transfer of Equity Interests by China General Nuclear Power Corporation Involving Entire Equity Interests in CGN Zhanjiang Nuclear Power Co., Ltd.

I. BASIC INFORMATION ABOUT THE VALUATION

Purpose of the valuation: China General Nuclear Power Corporation* intends to transfer its equity interests in CGN Zhanjiang Nuclear Power Co., Ltd.*. Hence, the market value of the entire equity interests in CGN Zhanjiang Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date has to be assessed in order to provide value reference for the above economic activity.

Subject of valuation: Entire equity interests in CGN Zhanjiang Nuclear Power Co., Ltd.* as at the Valuation Benchmark Date.

Scope of valuation: All audited assets and liabilities of CGN Zhanjiang Nuclear Power Co., Ltd.* reported as at the Valuation Benchmark Date, subject to the valuation declaration form completed by the appraised entity.

Valuation Benchmark Date: February 28, 2025.

Type of value: Market value.

II. SCOPE OF WORK

The scope of work of the valuer includes: (1) defining the fundamental engagement matters; (2) entering into an engagement agreement; (3) preparing the valuation work plan; (4) collecting and organizing valuation data; (5) conducting valuation analysis and forming conclusions; (6) preparing and issuing the valuation report.

III. SOURCE OF INFORMATION

In valuing the 100% equity interests in the target company, the valuer has reviewed information obtained from various sources, including but not limited to:

1. Various laws and regulations issued by the PRC;

2. Various valuation standards and valuation guidance opinions issued by the PRC;

3. Audit report as at the Valuation Benchmark Date as provided by the appraised entity;

* *For identification purpose only*

4. Other information required for valuation as provided by the client and the appraised entity;

5. Other information about the valuation as collected by the valuer.

IV. VALUATION METHODS AND REASONS FOR SELECTION

1. Overview of Valuation Methods

Business valuation methods primarily include asset-based approach, income approach and market approach.

The asset-based approach in business valuation refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity at the Valuation Benchmark Date.

Income approach in business valuation refers to the valuation method of determining the value of the appraised entity by capitalizing or discounting the expected income. Common methods used in income approach include dividend discount method and cash flow discount method.

Market approach in business valuation refers to the valuation method of determining the value of the appraised subject by comparing the appraised subject with comparable listed companies or comparable transaction cases. Two common methods used in market approach are listed company comparison method and transaction case comparison method.

2. Selection of Valuation Methods for Subject Asset

According to the Guidelines for the Practice of Asset Appraisal – Business Value, the valuer analyzes the applicability of the three basic valuation methods, namely income approach, market approach and asset-based approach, and select the valuation method based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances in performing the business valuation engagement.

Based on the purpose of the valuation, valuation subject, type of value, availability of information and other circumstances, as well as the applicability of the three basic valuation methods, asset-based approach is selected for the valuation. Reasons for selection of valuation method are as follows:

The asset-based approach refers to the valuation method that determines the value of the appraised entity based on the balance sheet of the appraised entity and reasonably assessing the value of various on- and off-balance sheet assets and liabilities of the appraised entity. Base on this valuation, the appraised entity can provide and the valuer can obtain sufficient information

from external sources necessary for asset-based approach, thereby commencing comprehensive inspection and valuation on assets and liabilities of the appraised entity. Hence, asset-based approach is suitable for this valuation.

The preconditions for adopting income approach are: Shareholders of the appraised entity have not yet made paid-in capital contribution. The appraised entity has not yet formulated specific future operational plan, and not yet officially commenced operation. Hence, its future earnings cannot be estimated and measured in monetary terms, and the risks associated with obtaining those future earnings cannot be quantified. Therefore, the conditions necessary for adopting the income approach were not met, and the adoption of income approach is not suitable for this valuation.

Zhanjiang Nuclear Power is a non-listed company and has not yet commenced normal production and operation. Based on the characteristics of the economic activity corresponding to the objective of this valuation, as well as the operational information obtained, the conditions necessary for adopting the market approach were not met, and the adoption of market approach is not suitable for this valuation.

V. VALUATION ASSUMPTIONS

(I) General Assumptions

1. Transaction assumption: It is assumed that all assets to be appraised have already 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 refers to the fact that the assets can be traded freely in a competitive market where the price is determined by independent buyer-seller valuation judgment on assets under certain supply-demand environment. Open market refers to a competitive market with many buyers and sellers. In this market, the positions of buyers and sellers are equal, and they both have the opportunity and time to obtain sufficient market information. The trading behavior of the buyers and sellers is carried out voluntarily and rationally, rather than under compulsion or unconstrained conditions;

3. It is assumed that there will be no material changes in relevant prevailing laws, regulations and policies of China and its macroeconomic situation. There will be no material changes in the political, economic and social environment of the regions where the parties to this transaction are located;

4. Based on the actual status of the assets on the Valuation Benchmark Date, it is assumed that the appraised entity can continue on an ongoing basis;

5. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

6. 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.

(II) Special Assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date will remain materially consistent with the those used in the preparation of this valuation report;

2. It is assumed that all information in relation to the valuation provided by the client and the appraised entity is true, complete, and legally valid;

3. It is assumed that, during the operation period, the appraised entity will not incur other off-balance employee remuneration expenses or other undeclared contingent liabilities, nor there will be other contingent liabilities arising from external guarantees or in relation to litigations.

The valuation conclusion of the valuation report is made based on the above assumptions on the Valuation Benchmark Date.

VI. TECHNICAL DESCRIPTION OF VALUATION

The asset-based approach in business valuation refers to the valuation method of determining the value of the appraised entity by reasonably assessing the value of on-balance sheet and identifiable off-balance sheet assets and liabilities on the basis of the balance sheet of the appraised entity at the Valuation Benchmark Date.

The total assets, total liabilities and entire equity interests included in the scope of valuation amounted to RMB0.00, RMB0.00 and RMB0.00, respectively.

Hence, the appraised value for total assets, total liabilities and entire equity interests amounted to RMB0.00, RMB0.00 and RMB0.00, respectively.

VII. CONCLUSION AND ANALYSIS OF VALUATION

As at the Valuation Benchmark Date, subject to the fulfilment of the valuation assumptions, the asset-based approach was used for valuation. The carrying value of total assets of CGN Zhanjiang Nuclear Power Co., Ltd.* was RMB0.00. The appraised value was RMB0.00, without appreciation nor depreciation in valuation. The carrying value of total liabilities was RMB0.00. The appraised value was RMB0.00, without appreciation nor depreciation in valuation. The carrying value of net assets was RMB0.00. The appraised value of the entire equity interests was RMB0.00, without appreciation nor depreciation in valuation.

Comparison of the amendments to the Articles of Association

Existing Articles	Amended Articles
Article 1 These Articles of Association are drawn up in accordance with the "Company Law of the People's Republic of China" (the "**Company Law**"), the "Securities Law of the People's Republic of China", **"Special Regulations of the State Council Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Shares" (the "Special Regulations"), "Mandatory Provisions for these Articles of Association of the Companies to be Listed Overseas" ("Mandatory Provisions"), "The Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong",** "The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited", the "Listing Rules of the Shenzhen Stock Exchange", the "Guidelines for the Articles of Association of Listed Companies" (the "**Guidelines for Articles of Association**") and other requirements to maintain the legitimate interests of CGN Power Co., Ltd. (the "**Company**") and its Shareholders and creditors, and to regulate the organization and conducts of the Company. The Company is a joint stock limited liability company established in accordance with the Company Law**, the Special Regulations** and other relevant laws and administrative regulations of the country.	**Article 1** These Articles of Association are drawn up in accordance with the "Company Law of the People's Republic of China" (the "**Company Law**"), the "Securities Law of the People's Republic of China" **(the "Securities Law")**, "The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited", the "Listing Rules of the Shenzhen Stock Exchange", the "Guidelines for the Articles of Association of Listed Companies" (the "**Guidelines for Articles of Association**") and other requirements to maintain the legitimate interests of CGN Power Co., Ltd. (the "**Company**") and its Shareholders**, employees** and creditors, and to regulate the organization and conducts of the Company. The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant laws and administrative regulations of the country. .....

Existing Articles	Amended Articles
Article 4 The Company's legal representative is the chairman of the board of directors of the Company.	**Article 4 The Company's legal representative shall be served by the chairman of the board of directors, who executes corporate affairs on behalf of the Company. Where the chairman resigns, he/she shall be deemed as concurrently resigns his/her position as the legal representative. In case of resignation of legal representative, the Company shall determine the new legal representative within 30 days from the date of resignation of the legal representative.**
Article 7 These Articles of Association **have been reviewed and approved by the shareholders' general meeting and shall become effective as of the date of the Company's initial public offering of shares (A Shares) and listing of the same on the Shenzhen Stock Exchange;** the original Articles of Association of the Company shall automatically expire **on the effective date of these Articles of Association**. From the date on which these Articles of Association come into effect, they shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations as between the Company and its shareholders and among the shareholders.	**Article 7** These Articles of Association **shall be effective from the date of consideration and approval at the general meeting, and** the original Articles of Association of the Company shall automatically expire. From the date on which these Articles of Association come into effect, they shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations as between the Company and its shareholders and among the shareholders.
Article 8 These Articles of Association are binding on the Company, its shareholders, directors**, supervisors** and senior management personnel; all of whom are entitled to make claims concerning the affairs of the Company in accordance with these Articles of Association. A shareholder may take legal action against the Company, other shareholders or directors**, supervisors,** and senior management personnel of the Company pursuant to these Articles of Association and the Company may take legal action against shareholders or directors**, supervisors,** and senior management personnel of the Company pursuant to these Articles of Association.	**Article 8** These Articles of Association are binding on the Company, its shareholders, directors and senior management personnel; all of whom are entitled to make claims concerning the affairs of the Company in accordance with these Articles of Association. A shareholder may take legal action **to the People's Court** against the Company, other shareholders or directors and senior management personnel of the Company pursuant to these Articles of Association and the Company may take legal action **to the People's Court** against shareholders or directors and senior management personnel of the Company pursuant to these Articles of Association.

Existing Articles	Amended Articles
The legal actions referred to in the preceding paragraph include court proceedings and arbitration proceedings. Unless otherwise defined, senior management personnel referred to in these Articles of Association refers to the president, vice president, chief financial officer, board secretary and **other senior management personnel** as determined by the board of directors by way of resolutions.	Unless otherwise defined, senior management personnel referred to in these Articles of Association refers to the president, vice president, chief financial officer, board secretary and **chief legal advisor** as determined by the board of directors by way of resolutions.
Article 16 Shares which the Company issues to Domestic Investors for subscription in RMB are called "Domestic Shares". Domestic Shares that are listed within the PRC are called "Domestic-listed Domestic Shares". Shares which the Company issues to Foreign Investors for subscription in foreign currencies are called "Foreign Shares". Foreign Shares of the Company that are listed overseas are called "Overseas-Listed Foreign Shares". The Domestic-listed Domestic Shares of the Company are collectively deposited at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The Overseas-Listed Foreign Shares of the Company shall be held by an authorised depository companies under the Hong Kong Securities Clearing Company Limited or be held in the name of an individual shareholder.	**Article 16** Shares which the Company issues to Domestic Investors for subscription in RMB are called "Domestic Shares". Domestic Shares that are listed within the PRC are called "Domestic-listed Domestic Shares". Shares which the Company issues to Foreign Investors for subscription in foreign currencies are called "Foreign Shares". Foreign Shares of the Company that are listed overseas are called "Overseas-Listed Foreign Shares". The Domestic-listed Domestic Shares of the Company are collectively deposited at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The Overseas-Listed Foreign Shares of the Company shall be held by an authorised depository companies under the Hong Kong Securities Clearing Company Limited or be held in the name of an individual shareholder. **Unless otherwise as stipulated under relevant laws and regulations or regulatory provisions in the places where the Company is listed, Domestic-listed Domestic Shares and Overseas-Listed Foreign Shares shall not deem as different class of Shares.**

Existing Articles	Amended Articles
Article 25 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within 10 days of the date of the Company's resolution for reduction of capital and shall publish an announcement **in newspaper(s)** within 30 days. Creditors are entitled to request the Company to repay its debts or to provide a corresponding guarantee **for such debt** within 30 days of receipt of notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement. **The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.** The Company shall complete the registration of capital reduction with the authorities in accordance with the law.	**Article 25** The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall notify its creditors within 10 days of the date of the Company's resolution for reduction of capital and shall publish an announcement **on designated media for corporate information disclosure or the National Enterprise Credit Information Publicity System** within 30 days. Creditors are entitled to request the Company to repay its debts or to provide a corresponding guarantee within 30 days of receipt of notice from the Company or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement. **When the Company reduces its registered capital, it shall reduce amount of capital contribution or shares in proportion to the shares held by the shareholders, unless otherwise provided in laws or these Articles of Association.** The Company shall complete the registration of capital reduction with the authorities in accordance with the law.

Existing Articles	Amended Articles
Article 31 The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. **This includes any person who directly or indirectly incurs any obligations as a result of acquisition of shares in the Company. The Company and its subsidiaries shall not, at any time, provide any form of financial assistance for the purposes of reducing or discharging the obligations assumed by any person as a result of acquisition of shares in the Company.** **This Article shall not apply to the circumstances specified in Article 33 of these Articles of Association.** **Article 32 For the purposes of this Chapter, "financial assistance" includes, but not limited to, the following:** **(1) gifts;** **(2) guarantee (including the assumption of obligations of another or provision of assets to secure the performance of obligations by another), compensation (other than compensation arising out of the Company's own fault) or release or waiver of any right;** **(3) provision of a loan or the making of any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under, such loan or contract;**	**Article 31 The Company or its subsidiaries (including its affiliates) shall not, in the form of grants, advances, guarantees, borrowings and other forms, provide financial assistance for others to acquire shares of the Company or its parent, except where the Company implements an employee stock ownership plan.** **The Company may, for the sake of its own interests, provide financial assistance for others to acquire shares of the Company or its parent upon approval by a resolution at the general meeting or a resolution made by the board of directors in accordance with these Articles of Association or authorisation granted at the general meeting. However, the cumulative financial assistance in aggregate shall not exceed 10% of total issued share capital. The resolution made by the board of directors shall be passed by over two-thirds of directors on the board of directors.**

Existing Articles	Amended Articles
(4) any other form of financial assistance given by the Company when the Company is unable to pay its debts, has no net assets or when its net assets would be reduced by a material extent. **For the purposes of this Chapter, assumption of obligations by a person includes the assumption of obligations by way of contract or other arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligations are borne jointly with other persons) or by any other means which results in a change in his/her financial position.** **Article 33 The following acts shall not be deemed to be acts prohibited by Article 31 of these Articles of Association:** **(1) the provision of financial assistance by the Company where the financial assistance is given in good faith and in the interests of the Company, and the principal purpose of which is not for the acquisition of shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;** **(2) the lawful distribution of the Company's assets as dividends;** **(3) the distribution of dividends in the form of shares;** **(4) a reduction of registered capital, a repurchase of shares of the Company or a reorganization of the shareholding structure of the Company effected in accordance with these Articles of Association;**	

Existing Articles	Amended Articles
(5) the provision of loans by the Company for its normal operations within its normal scope of business (provided that this does not reduce the net assets of the Company or that financial assistance is provided out of the distributable profits of the Company, if it does reduce the net assets of the Company); **(6) contributions made by the Company to employee share schemes (provided that this does not reduce the net assets of the Company or that financial assistance is provided out of the distributable profits of the Company, if it does reduce the net assets of the Company).**	
Article 42 No change may be made in the register of shareholders as a result of a transfer of shares within 30 days prior to the date of a shareholders' general meeting or within 5 days before the determination date for the Company's distribution of dividends. **The preceding rule is only applicable to the holders of Overseas-Listed Foreign Shares.** Changes to the register of shareholders **of Domestic-listed Domestic Shares** shall comply with **the relevant PRC laws and regulations**. The interval between the record date **of holders of Domestic-listed Domestic Shares** and the general meeting date shall not be more than 7 working days. Once the record date for the general meeting is confirmed, it shall not be amended.	**Article 40** Changes to the register of shareholders shall comply with **relevant laws and regulations and regulatory provisions in the places where the Company is listed**. The interval between the record date and the general meeting date shall not be more than 7 working days. Once the record date for the general meeting is confirmed, it shall not be amended.

Existing Articles	Amended Articles
Article 51 ..... (v) the latest audited financial statements of the Company, and the reports of directors**,** **supervisors** and auditors;	**Article 49** ..... (v) the latest audited financial statements of the Company, and the reports of directors and auditors**, and eligible shareholders may inspect account books and accounting documents of the Company**; .....
Article 52 Where a shareholder requests to inspect the aforesaid relevant information or asks for relevant documents, he/she shall provide the Company with documents showing the class and number of shares he/she holds. The Company shall provide such information as requested by the shareholder whose identification has been verified.	**Article 50** Where a shareholder requests to inspect the aforesaid relevant information or asks for relevant documents, he/she shall provide the Company with documents showing the class and number of shares he/she holds. The Company shall provide such information as requested by the shareholder whose identification has been verified. **Where a shareholder requests to inspect and make duplicate copies of relevant materials of the Company, the said shareholder shall comply with the Company Law, the Securities Law and other laws and administrative regulations.**
Article 53 If any resolution of a **shareholders'** general meeting or board meeting is in violation of the laws and administrative regulations, the shareholders shall have the right to request the **court** to invalidate the said resolution. If the meeting convening procedures and voting methods of the **shareholders'** general meetings or board meetings are in violation of the laws, administrative regulations or these Articles of Association, if the contents of any resolution are in breach of these Articles of Association, the shareholders shall have the right to request the **court** to annul the said procedures, methods or resolutions within 60 days after the resolution has been approved.	**Article 51** If any resolution of a general meeting or board meeting is in violation of the laws and administrative regulations, the shareholders shall have the right to request the **People's Court** to invalidate the said resolution. If the meeting convening procedures and voting methods of the general meetings or board meetings are in violation of the laws, administrative regulations or these Articles of Association, if the contents of any resolution are in breach of these Articles of Association, the shareholders shall have the right to request the **People's Court** to annul the said procedures, methods or resolutions within 60 days after the resolution has been approved**, unless there is only a minor defect in the convening procedure or voting method of the general meeting or board meeting, which has no substantive impact on the resolution.**

Existing Articles	Amended Articles
	Where the board of directors, shareholders and other parties dispute the validity of a resolution passed at the general meeting, they shall institute legal proceedings to the People's Court in a timely manner. Before the People's Court makes a judgement or ruling to rescind the resolution, the relevant parties shall execute the resolution of the general meeting. The Company, the directors and senior management personnel shall duly perform their duties to ensure the normal operation of the Company. **Where the People's Court makes a judgement or ruling on a relevant matter, the Company shall fulfill its obligation to disclose the information in accordance with laws, administrative regulations, and the regulatory provisions in the places where the Company is listed, fully explain the impact, and actively cooperate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligation will be fulfilled.**
(Added)	**Article 52 A resolution of the general meeting or the board of directors shall be invalid in any of the following circumstances:** **(1) the resolution is made without the convening of a general meeting or board meeting;** **(2) the resolution is made without voting at the general meeting or board meeting;** **(3) the number of persons attending the meeting or the number of the voting rights held by them fails to reach the number as stipulated under the Company Law or these Articles of Association;** **(4) the number of persons in favour of the resolution or the number of the voting rights held by them fails to reach the number as stipulated under the Company Law or these Articles of Association.**

Existing Articles	Amended Articles
Article 54 Where any director or **member of the** senior management personnel violates any laws, administrative regulations or these Articles of Association in his/her performance of duties and powers and thereby causes any loss to the Company, shareholders who individually or jointly hold 1% or more of the Company's shares for 180 days consecutively or more may request the **supervisory committee** in writing to file a lawsuit with the **court**. Where **the supervisory committee** violates any laws, administrative regulations or these Articles of Association in his/her performance of duties and powers and thereby causes any loss to the Company, shareholders may request the board of directors in writing to file a lawsuit with the **court**. Where the **supervisory committee** or the board of directors refuses to file a lawsuit upon receipt of an aforementioned written request in the preceding paragraph, or where it fails to file a lawsuit within 30 days after it upon receipt of the request, or where it is in an emergency that the failure to initiate a lawsuit immediately may cause irretrievable damage to the interests of the Company, the aforementioned shareholders in the preceding paragraph shall have the right directly file a lawsuit with the **court** in his/her own name to protect the interest of the Company. In the event that the legitimate rights and interests of the Company are impaired and losses are incurred thereof, the aforementioned shareholders in the first paragraph of this Article shall have the right to file a lawsuit with the **court** in accordance with the provisions of this Article.	**Article 53** Where any director or senior management personnel **other than a member of the Audit and Risk Management Committee** violates any laws, administrative regulations or these Articles of Association in his/her performance of duties and powers and thereby causes any loss to the Company, shareholders who individually or jointly hold 1% or more of the Company's shares for 180 days consecutively or more may request the **Audit and Risk Management Committee** in writing to file a lawsuit with the **People's Court**. Where **a member of the Audit and Risk Management Committee** violates any laws, administrative regulations or these Articles of Association in his/her performance of duties and powers and thereby causes any loss to the Company, **the said** shareholders may request the board of directors in writing to file a lawsuit with the **People's Court**. Where the **Audit and Risk Management Committee** or the board of directors refuses to file a lawsuit upon receipt of an aforementioned written request in the preceding paragraph, or where it fails to file a lawsuit within 30 days after it upon receipt of the request, or where it is in an emergency that the failure to initiate a lawsuit immediately may cause irretrievable damage to the interests of the Company, the aforementioned shareholders in the preceding paragraph shall have the right directly file a lawsuit with the **People's Court** in his/her own name to protect the interest of the Company. In the event that the legitimate rights and interests of the Company are impaired and losses are incurred thereof, the aforementioned shareholders in the first paragraph of this Article shall have the right to file a lawsuit with the **People's Court** in accordance with the provisions of this Article.

Existing Articles	Amended Articles
	Where a director, supervisor (if any) or senior management personnel of a wholly- owned subsidiary of the Company violates provisions under the laws, administrative regulations or these Articles of Association in their performance of duties resulting in loss for the Company, or loss caused by infringement of lawful rights and interests of the wholly-owned subsidiary by other parties, the shareholder(s) as stipulated under paragraph 1 of this Article may request in writing the supervisory committee (if any) or the board of directors of the wholly-owned subsidiary to file a lawsuit with the People's Court or may file a lawsuit with the People's Court directly in their own names in accordance with paragraphs 1 to 3 of Article 189 of the Company Law.
Article 58 For the purpose of these Articles of Association, a "controlling shareholder" means **a person who satisfies any one of the following conditions:** **(1) a person who, when acting alone or in concert with others, has the power to appoint more than half of the directors;** **(2) a person who, when acting alone or in concert with others, has the power to exercise 30% or more of the voting rights or has power to control the exercise of 30% or more of the voting rights in the Company;** **(3) a person who, when acting alone or in concert with others, holds 30% or more of the issued shares of the Company;** **(4) a person who, when acting alone or in concert with others, has de facto control of the Company in any other way.**	**Article 57** For the purpose of these Articles of Association, a "controlling shareholder" means **a shareholder as defined under relevant laws and regulations and regulatory provisions in the places where the Company is listed.** For the purpose of these Articles of Association, an "actual controlling party" means the **natural person(s), legal person(s) or other organisation(s),** not being shareholder(s) of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, an agreement or other arrangements.

Existing Articles	Amended Articles
For the purpose of these Articles of Association, an "actual controlling party" means the **person(s)**, not being shareholder(s) of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, an agreement or other arrangements.	
Article 60 Neither the controlling shareholder nor the actual controlling party of the Company may prejudice the interests of the Company by taking advantage of his/her connected relationship. Anyone who violates the provisions and cause damages to the Company shall bear compensation liability. **The controlling shareholder and the actual controlling party of the Company shall bear fiduciary duty to the Company and its public shareholders. The controlling shareholder shall strictly exercise the rights as a subscriber pursuant to the law, and shall not impair the legitimate rights and interests of the Company and the public shareholders in the way of profit distribution, asset reorganization, overseas investments, capital use, loans and guarantees, and shall not impair the interests of the Company and the public shareholders by making use of its controlling status in the Company.**	**Article 59 The controlling shareholder and the actual controlling party of the Company shall exercise their rights, perform their duties and protect the interests of the Company in accordance with laws, administrative regulations, and regulatory provisions in the places where the Company is listed.** **The controlling shareholder and the actual controlling party of the Company shall comply with the following provisions:** **(1) they shall exercise shareholders' rights in accordance with laws, and shall not abuse their control or use the connected relations to damage the legitimate rights and interests of the Company or other shareholders;** **(2) they shall stringently fulfill their public declarations and undertakings and shall not alter or waive such declarations or undertakings in a unilateral manner;** **(3) they shall strictly perform the obligations of information disclosure in accordance with relevant provisions, actively cooperate with the Company to ensure proper information disclosure, and promptly notify the Company in a timely manner of material matters that have occurred or are likely to occur;** **(4) they shall not appropriate the funds of the Company in any manner;**

Existing Articles	Amended Articles
	(5) they shall not order by coercion, instruct or demand the Company and relevant officer to provide guarantee in violation of laws or regulations; **(6) they shall not take advantage of the possession of unannounced material information of the Company for their gain, or divulge unannounced material information relating to the Company in any manner, or be engaged in illegal or illicit acts such as inside dealing, short-term dealing or market manipulation;** **(7) they shall not damage the legitimate rights and interests of the Company and other shareholders by any means such as unfair connected transaction, profit distribution, asset reorganization and external investment;** **(8) they shall guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organisation and business, and shall not affect the independence of the Company in any manner;** **(9) other provisions under the laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association.** **Where the controlling shareholder or the actual controlling party of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of these Articles of Association relating to the duties of loyalty and diligence of directors shall apply.**

Existing Articles	Amended Articles
	Where the controlling shareholder or the actual controlling party of the Company instructs a director or senior management personnel to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such director or senior management personnel. **Where the controlling shareholder or the actual controlling party pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the Company's control and its stability of production and operations.** **Where the controlling shareholder or the actual controlling party transfers the shares of the Company held by him/her, he/she shall comply with the restrictions on the transfer of shares set out in the laws, administrative regulations, and the regulatory provisions in the places where the Company is listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.** **The connected relationship under these Articles of Association refers to any relationship between a controlling shareholder, actual controlling party, director or senior management personnel of the Company and an enterprise directly or indirectly controlled by that person, as well as any other relationship that may result in the transfer of any interest in the Company. However, state-controlled enterprises do not have a connected relationship between them solely due to being controlled by the state.**

Existing Articles	Amended Articles
Article 62 The **shareholders'** general meeting shall have the following functions and powers: (1) to decide on the Company's operational policies and investment plans; (2) to appoint and replace directors and to decide on matters relating to the remuneration of directors; **(3) to appoint and replace supervisors who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;**	**Article 61** The general meeting shall have the following functions and powers: (1) to decide on the Company's operational policies and investment plans; (2) to appoint and replace **non-employee representative** directors and to decide on matters relating to the remuneration of **such** directors; .....
Article 64 Unless **prior** approval in the form of a special resolution is obtained in a **shareholders'** general meeting, the Company shall not enter into any contract with any person other than the directors**, supervisors,** senior management personnel pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business.	**Article 63** Unless **the Company is in a crisis or any special circumstance and** approval in the form of a special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors **and** senior management personnel pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business.
Article 66 The board of directors shall convene an extraordinary general meeting within **two** months from the date of occurrence of any one of the following events: (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in these Articles of Association; (2) where the unrecovered losses of the Company amount to one-third of the total amount of its **paid-up** share capital;	**Article 65** The board of directors shall convene an extraordinary general meeting within **2** months from the date of occurrence of any one of the following events: (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in these Articles of Association; (2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;

Existing Articles	Amended Articles
(3) where shareholder(s) who individually or jointly hold 10% or more of the Company's issued voting shares make request(s) in writing for the convening of an extraordinary general meeting; (4) whenever the board of directors deems necessary or the **supervisory committee** so requests; (5) **when more than half of the independent directors propose to convene the meeting;** **(6)** other circumstances provided by relevant laws, administrative regulations, regulations of the authorities and these Articles of Association. The shareholdings referred to in item (3) above shall be calculated on the basis of the number of shares held as at the date of written request from the shareholders.	(3) where shareholder(s) who individually or jointly hold 10% or more of the Company's issued voting shares make request(s) in writing for the convening of an extraordinary general meeting; (4) whenever the board of directors deems necessary or the **Audit and Risk Management Committee** so requests; (5) other circumstances provided by relevant laws, administrative regulations, regulations of the authorities and these Articles of Association. The shareholdings referred to in item (3) above shall be calculated on the basis of the number of shares held as at the date of written request from the shareholders.
Article 69 The independent directors shall have the rights to propose to the board of directors to convene an extraordinary general meeting. With respect to the proposal requesting to convene an extraordinary general meeting by the independent directors, the board of directors shall issue a written reply on consent or non-consent to the convening of the extraordinary general meeting within 10 days upon receipt of the proposal pursuant to the laws, administrative regulations and these Articles of Association. Where the board of directors gives consent to convene an extraordinary general meeting, a notice on convening such meeting shall be issued within 5 days from passing the resolution of the board of directors. Where the board of directors does not give consent to convene an extraordinary general meeting, it shall state the reason and make an announcement.	**Article 68 The board of directors shall convene general meetings on schedule within the prescribed time frame.** The independent directors shall have the rights to propose to the board of directors to convene an extraordinary general meeting **with the approval of a majority of all independent directors.** With respect to the proposal requesting to convene an extraordinary general meeting by the independent directors, the board of directors shall issue a written reply on consent or non-consent to the convening of the extraordinary general meeting within 10 days upon receipt of the proposal pursuant to the laws, administrative regulations and these Articles of Association. Where the board of directors gives consent to convene an extraordinary general meeting, a notice on convening such meeting shall be issued within 5 days from passing the resolution of the board of directors. Where the board of directors does not give consent to convene an extraordinary general meeting, it shall state the reason and make an announcement.

Existing Articles	Amended Articles
Article 75 A notice of an annual general meeting of the Company shall be given **20 business** days before the date of the meeting; a notice of an extraordinary general meeting of the Company shall be given **10 business days or** 15 days before the date of the meeting **(whichever is longer)** to all registered shareholders. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the **shareholders'** general meeting. When calculating the starting period, the Company shall exclude the day on which the notice is given and the day on which the meeting is held. **The business days in these Articles of Association refer to the days on which the Hong Kong Stock Exchange is open for securities trading.**	**Article 74** A notice of an annual general meeting of the Company shall be given **21** days before the date of the meeting; a notice of an extraordinary general meeting of the Company shall be given 15 days before the date of the meeting to all registered shareholders. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the general meeting. When calculating the starting period, the Company shall exclude the day on which the notice is given and the day on which the meeting is held.
Article 86 Any form given to a shareholder by the directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favors of or against the motions, separate instructions being given in respect of each matter to be voted on at the meeting. **Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he/she thinks fit.**	**Article 85** Any form given to a shareholder by the directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favors of or against the motions, separate instructions being given in respect of each matter to be voted on at the meeting.

Existing Articles	Amended Articles
Article 89 Shareholders who separately or jointly hold more than **3**% of the total issued voting shares of the Company may submit a proposal to the **board of directors** in writing 10 days before the date of the **shareholders'** general meeting; the **board of directors** shall issue a supplementary notice of the **shareholders'** general meeting to announce the contents of the proposals within 2 days of receiving the proposal and include it for consideration at the **shareholders'** general meeting. **The matters stated in the proposal must be within the functions and powers of the shareholders' general meeting and it shall have a clear subject and specific resolutions.** Apart from aforesaid matters, the convener shall not amend the proposals stated in the notice of the **shareholders'** general meeting or add new proposals upon issuance of the announcement on the notice of the **shareholders'** general meeting. The **shareholders'** general meeting shall not vote on or resolve the proposals which have not been stated in the notice of the **shareholders'** general meeting or the proposals which do not meet the requirements in Article **88** of these Articles of Association.	**Article 88 Where a general meeting is convened by the Company, the board of directors, the Audit and Risk Management Committee and shareholders who separately or jointly hold more than 1% of the total issued voting shares of the Company are entitled to submit a proposal to the Company.** Shareholders who separately or jointly hold more than **1**% of the total issued voting shares of the Company may submit a **provisional** proposal to the **convener** in writing 10 days before the date of the general meeting; the **convener** shall issue a supplementary notice of the general meeting to announce the contents of the **provisional** proposals within 2 days of receiving the **provisional** proposal and include it for consideration at the general meeting. **However, this does not apply if the provisional proposals are in violation o f provisions of laws, administrative regulations or the Articles of Association, or out of the term of reference of general meetings.** Apart from aforesaid matters, the convener shall not amend the proposals stated in the notice of the general meeting or add new proposals upon issuance of the announcement on the notice of the general meeting. The general meeting shall not vote on or resolve the proposals which have not been stated in the notice of the general meeting or the proposals which do not meet the requirements in Article **87** of these Articles of Association.

Existing Articles	Amended Articles
Article 92 When convening a shareholders' general meeting, directors, supervisors and the secretary to the board of directors shall attend the meeting in person while the president and other senior management personnel shall be in attendance the meeting as non-voting participants.	**Article 91 Where a general meeting requires directors and senior management personnel to attend the meeting as non- voting participants, directors and senior management personnel shall attend such meeting as non-voting participants and receive inquiries from shareholders.**
Article 93 The **shareholders'** general meeting shall be convened by the board of directors and chaired by the chairman; if the chairman cannot or fails to perform his/her duties, the **shareholders'** general meeting shall be chaired by a director co-elected by **more than half** of the directors. If the board of directors cannot or fails to perform its duty to convene the **shareholders'** general meeting, the **supervisory committee** shall convene and chair the meeting promptly; if the **supervisory committee** cannot or fails to perform its duty to convene the **shareholders'** general meeting for more than 90 consecutive days, the shareholders who separately or jointly hold more than 10% of the Company's total issued voting shares may convene and chair the meeting by themselves. **If no such chairman is elected, then the directors present may choose one of their members to be chairman of the meeting; If the shareholders cannot elect a chairman of the meeting due to any reason, the shareholder (including his/her proxy) present at the meeting who holds the highest number of voting rights shall act as the chairman of the meeting.**	**Article 92** The general meeting shall be convened by the board of directors and chaired by the chairman; if the chairman cannot or fails to perform his/her duties, the general meeting shall be chaired by a director co-elected by **majority** of the directors. If the board of directors cannot or fails to perform its duty to convene the general meeting, the **Audit and Risk Management Committee** shall convene and chair the meeting promptly; if the **Audit and Risk Management Committee** cannot or fails to perform its duty to convene the general meeting for more than 90 consecutive days, the shareholders who separately or jointly hold more than 10% of the Company's total issued voting shares may convene and chair the meeting by themselves.

Existing Articles	Amended Articles
The **shareholders'** general meeting convened by the **supervisory committee** shall be presided over by the **chairman** of the **supervisory committee**. If the **chairman** of the **supervisory committee** is unable to perform or fails to perform his/her duties, a **supervisor** shall be jointly elected by **more than half** of **the supervisors** to preside over the meeting. Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting. When the **shareholders'** general meeting is held and the chairman of the meeting violates these Rules and as a result thereof, the **shareholders'** general meeting is unable to continue, upon approval of more than half of the shareholders having the voting rights who are present at the meeting, a person may be elected at the **shareholders'** general meeting to chair the meeting so that the meeting may continue.	The general meeting convened by the **Audit and Risk Management Committee** shall be presided over by the **convener** of the **Audit and Risk Management Committee**. If the **convener** of the **Audit and Risk Management Committee** is unable to perform or fails to perform his/her duties, a **member of the Audit and Risk Management Committee** shall be jointly elected by **majority** of **members of the Audit and Risk Management Committee** to preside over the meeting. Shareholder(s) may convene the **general** meeting themselves and a representative nominated by the convener(s) shall preside over the meeting. When the general meeting is held and the chairman of the meeting violates these Rules and as a result thereof, the general meeting is unable to continue, upon approval of more than half of the shareholders having the voting rights who are present at the meeting, a person may be elected at the general meeting to chair the meeting so that the meeting may continue.
Article 97 ..... Where any shareholder is required to abstain from voting on a matter under applicable laws, regulations and the **listing rules of the stock exchange on which the Company's shares are listed**, any votes cast by such shareholder or his/her proxy) shall not be counted.	**Article 96** ..... Where any shareholder is required to abstain from voting on a matter under applicable laws, regulations and the **regulatory provisions in the places where the Company is listed**, any votes cast by such shareholder or his/her proxy shall not be counted. **Pursuant to the applicable laws and regulations and the regulatory provisions in the places where the Company is listed, whereas any shareholder is restricted to voting only for or against any particular resolution, in case of any violation of such requirement or restriction, relevant votes shall not be counted.** .....

Existing Articles	Amended Articles
Article 98 At any shareholders' general meeting, a resolution shall be decided on a show of hands, unless a poll is demanded before or after a vote is carried out by a show of hands by any of the following, or if otherwise required by the listing rules of the stock exchange on which the Company's shares are listed: **(1) by the chairman of the meeting;** **(2) by at least two shareholders present in person or by proxy and being entitled to vote;** **(3) by one or more shareholders present in person or by proxy and holding 10% or more of all voting shares present at the meeting solely or jointly.** **Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the passing of such resolution. There is no need to prove the number or proportion of votes in favor of or against such resolution.** **The demand for a poll may be withdrawn by the person who demands the same.**	**Article 97 Voting at the general meeting shall be carried out with open ballot.**
Article 100 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his/her votes in the same way.	(Deleted)
Article 101 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.	(Deleted)

Existing Articles	Amended Articles
Article 111 The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.	(Deleted)
Article 112 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.	(Deleted)
Article 113 If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the minutes.	(Deleted)
Article 118 The list of candidates for directors **and supervisor** shall be submitted to the **shareholders'** general meeting in a form of a proposal for voting, and each candidate shall be nominated by means of a separate proposed resolution. The cumulative voting system shall be adopted for the election of **two** or more directors **or supervisors**. The cumulative voting system referred to in the preceding paragraph shall mean that when a **shareholders'** general meeting elects directors **or supervisors**, each share shall have voting rights which are the same as the number of directors **or supervisors** to be elected, and the voting rights held by a shareholder may be used together.	**Article 112** The list of candidates for **non-employee representative** directors shall be submitted to the general meeting in a form of a proposal for voting, and each candidate shall be nominated by means of a separate proposed resolution. The cumulative voting system shall be adopted for the election of **2** or more directors. The cumulative voting system referred to in the preceding paragraph shall mean that when a general meeting elects directors, each share shall have voting rights which are the same as the number of directors to be elected, and the voting rights held by a shareholder may be used together.

Existing Articles	Amended Articles
Where a proposed resolution on election of directors **or supervisors** is passed at the **shareholders'** general meeting, the directors elected **or supervisors elected** shall take office after the resolution of the **shareholders'** general meeting passed.	**The directors elected shall be determined based of the number of votes for the director candidates in descending order. Meanwhile, the total votes for directors elected shall exceed a half of the number of shares carrying voting rights (based on the number of unaccumulated shares) held by shareholders attending the general meeting.** Where a proposed resolution on election of directors is passed at the general meeting, the directors elected shall take office after the resolution of the general meeting passed.
(Added)	**Article 114 The general meeting may resolve to remove a director, with the removal taking effect on the date the resolution is made.** **If a director is removed prior to the expiration of his/her term of office without any reasonable grounds, he/she may request compensation from the Company.**
(Added)	**Article 115 No director shall act on behalf of the Company or the board of directors without the requirement of the Articles of Association or the lawful authorization of the board of directors. In the event that a director is acting in his/her own name, which may be reasonably deemed to be acting on the behalf of the Company or the board of directors by a third party, such director shall state his/her stance and identity in advance.**
Chapter 9 Special Procedures for Voting by a Class of Shareholders **(Article 120 to Article 127)**	(Deleted)

Existing Articles	Amended Articles
Article 129 The board of directors shall consist of **ten** directors, one of which shall be the chairman. China General Nuclear Power Corporation shall recommend **four** directors, and Guangdong Hengjian Investment Holdings Co., Ltd., and China National Nuclear Corporation shall each recommend one director. **The other four** directors are independent directors, and shall be appointed according to the **listing rules of the listing place**. The directors of the Company comprise of executive directors and non-executive directors (including independent directors). The executive director refers to the director who holds other operation and management positions in the Company in addition to the directorship. The non-executive director refers to the director who does not hold operation and management position in the Company. The independent director (that is an "independent non-executive director" as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) refers to the director who does not hold **any operation and management** position in the Company **and has no other relationship with the Company or its shareholders**.	**Article 117** The board of directors shall consist of **nine** directors, one of which shall be the chairman. China General Nuclear Power Corporation shall recommend **three** directors, and Guangdong Hengjian Investment Holdings Co., Ltd., and China National Nuclear Corporation shall each recommend one director. **Three** directors are independent directors, and shall be appointed according to the **regulatory provisions in the places where the Company is listed**. **One director is an employee representative director, and shall be elected through the employee representative meetings, employee meetings or through other forms of democratic election.** The directors of the Company comprise of executive directors and non-executive directors (including independent directors). The executive director refers to the director who holds other operation and management positions in the Company in addition to the directorship. The non-executive director refers to the director who does not hold operation and management position in the Company. The independent director (that is an "independent non-executive director" as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) refers to the director who does not hold **other** position in the Company **other than his/her position as director, and does not have direct or indirect interests in the company hired him/her and its major shareholders and actual controlling parties, nor having other relationship which may affect his/her ability to make independent, objective judgment.**

Existing Articles	Amended Articles
Article 131 The list of candidates for directors shall be submitted to the **shareholders'** general meeting in the form of motion for approval. Both Guangdong Hengjian Investment Holdings Co., Ltd., and China National Nuclear Corporation are entitled to nominate one director. The board of directors should inform the shareholders of the resume and basic profiles of the candidates for directors by way of an announcement. **Candidates other than those for independent directors shall be nominated by the board of directors, the supervisory committee or shareholders who individually or jointly hold 3% or more of the Company's issued voting shares and be elected by the shareholders in shareholders' general meeting.** **Candidates for independent directors of the Company shall be nominated by the Company's board of directors, the supervisory committee or shareholders who individually or jointly hold 1% or more of the Company's issued voting shares and be elected by the shareholders in shareholders' general meeting.** Provided that the relevant laws and administrative rules are observed, a director whose term of office has not yet expired may be removed in **shareholders'** general meeting by way of ordinary resolution (but the right to lodge a claim under any contract is not affected).	**Article 119** The list of candidates for **non-employee representative** directors shall be submitted to the general meeting in the form of motion for approval. Both Guangdong Hengjian Investment Holdings Co., Ltd., and China National Nuclear Corporation are entitled to nominate one director. The board of directors should inform the shareholders of the resume and basic profiles of the candidates for directors by way of an announcement. **Candidates for non-employee representative directors shall be nominated by the board of directors of the Company or shareholders who individually or jointly hold 1% or more of the Company's issued voting shares, and be elected at the general meeting of the Company.** Provided that the relevant laws and administrative rules are observed, a director whose term of office has not yet expired may be removed in general meeting by way of ordinary resolution (but the right to lodge a claim under any contract is not affected).

Existing Articles	Amended Articles
Article 134 Independent directors shall meet the following basic requirements:	**Article 122** Independent directors shall meet the following basic requirements:
(1) qualified to be a director of a listed company under the laws, administrative regulations and other applicable regulations;	(1) qualified to be a director of a listed company under the laws, administrative regulations and other applicable regulations;
(2) comply with relevant requirements of the **stock exchange on which the Company's shares are listed** regarding the character, integrity, independence and experience of an independent director;	(2) comply with relevant requirements of the **regulatory provisions in the places where the Company is listed** regarding the character, integrity, independence and experience of an independent director**, and the independence requirement as stipulated under these Articles of Association**;
(3) have basic knowledge of the operation of a listed company, familiarity with the relevant laws, administrative rules, regulations and rules of authorities;	(3) have basic knowledge of the operation of a listed company, familiarity with the relevant laws, administrative rules, regulations and rules of authorities;
(4) have 5 years or more working experience in the legal, financial or other field, necessary in performing the duties of an independent director;	(4) have 5 years or more working experience in the legal, **accounting,** financial or other field, necessary in performing the duties of an independent director;
(5) satisfy independence and other requirements stipulated by law, administrative rules, **regulations of authorities** and these Articles of Association and their appendices.	(5) **possess good personal integrity and have no history of major acts of dishonesty or other adverse records;**
	(**6**) satisfy independence and other requirements stipulated by law, administrative rules, **regulatory provisions in the places where the Company is listed** and these Articles of Association and their appendices.

Existing Articles	Amended Articles
(Added)	**Article 123 Independent directors shall maintain their independence. The following persons shall not serve as independent directors:** **(1) persons working for the Company or its subsidiaries, their spouses, parents and children, and those who have major social relations with them;** **(2) natural person shareholders who directly or indirectly hold 1% or more of the Company's issued shares or who are among the Company's top 10 shareholders, and their spouses, parents and children;** **(3) persons who work for shareholders who directly or indirectly hold 5% or more of the Company's issued shares or who work for entities of the Company's top 5 shareholders, and their spouses, parents and children;** **(4) persons serving in the subsidiaries of the Company's controlling shareholder and actual controlling party and their spouses, parents and children;** **(5) persons who have significant business dealings with the Company, its controlling shareholder, actual controlling party or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholder or actual controlling party;**

Existing Articles	Amended Articles
	(6) persons providing financial, legal, consulting and sponsorship and other services to the Company, its controlling shareholder, actual controlling party or their respective subsidiaries; including, but not limited to, all members of the project team of the intermediaries providing the services, reviewers at all levels, persons signing the report, partners, directors, senior management personnel and principals; **(7) persons who have been involved in any of the circumstances listed in items (1) to (6) within the last twelve (12) months;** **(8) other persons who do not possess independence as stipulated by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association.** **The subsidiaries of the Company' s controlling shareholder or actual controlling party mentioned in items (4) to (6) of the foregoing paragraph do not include enterprises that are controlled by the same state-owned asset management institution as the Company but do not constitute related parties with the Company in accordance with relevant regulations.** **Independent directors shall conduct an annual self-examination of independence and submit the self-examination to the board of directors. The board of directors shall evaluate and issue a special opinion on the independence of the incumbent independent directors on an annual basis, which shall be disclosed at the same time as the publication of the annual report.**

Existing Articles	Amended Articles
Article 135 A director may resign before his/her term of office expires. The resigning director shall tender a resignation letter to the **board of directors** in writing. The board of directors shall make relevant disclosure as promptly as possible according to the **listing rules of the places where the Company's shares are listed**. If another director has not been appointed upon the expiry of a director's term of office, the number of directors falls below the legal quorum due to a director's resignation during his/her term of office, or the number of independent directors is less than one third of the number of board of directors or absence of accounting professionals in the independent directors due to the resignation of independent directors, the director whose term of office has expired or who has resigned, as the case may be, shall perform his/her duties as a director in accordance with the laws, administrative regulations and the provisions of these Articles of Association, until the newly elected director assumes office. **Subject to the provisions in the two preceding paragraphs, the resignation of the directors shall take effect upon receipt of the resignation letter by the board of directors.** If the number of directors falls below the statutory quorum due to a director's resignation during his/her term of office, the Company shall complete by- election within 2 months.	**Article 124** A director may resign before his/her term of office expires. The resigning director shall tender a resignation letter to the **Company** in writing**, and shall be effective from the date of receipt of such resignation letter by the Company**. The board of directors shall make relevant disclosure as promptly as possible according to the **regulatory provisions in the places where the Company is listed**. If another director has not been appointed upon the expiry of a director's term of office, the number of directors falls below the legal quorum due to a director's resignation during his/her term of office, or the number of independent directors is less than one third of the number of board of directors or absence of accounting professionals in the independent directors due to the resignation of independent directors, the director whose term of office has expired or who has resigned, as the case may be, shall perform his/her duties as a director in accordance with the laws, administrative regulations**, regulations of authorities** and the provisions of these Articles of Association, until the newly elected director assumes office. If the number of directors falls below the statutory quorum due to a director's resignation during his/her term of office, the Company shall complete by-election within 2 months.

Existing Articles	Amended Articles
When the resignation of the director takes effect or upon expiry of his/her term of office, a director shall complete his/her hand-over procedures with the board. The fiduciary obligations of a director towards the Company and the shareholders are not automatically released before his/her resignation report becomes effective or within a reasonable period after its effectiveness and within a reasonable period after conclusion of his/her term of office, and his/her duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her tenure until the same has become open information.	**The Company has established the director resignation management system, which stipulates the protective measures on the accountability and claiming of unfulfilled public commitments and other matters.** When the resignation of the director takes effect or upon expiry of his/her term of office, a director shall complete his/her hand-over procedures with the board. The fiduciary obligations of a director towards the Company and the shareholders are not automatically released before his/her resignation report becomes effective or within a reasonable period after its effectiveness and within a reasonable period after conclusion of his/her term of office, and his/her duty of confidentiality in respect of trade secrets of the Company survives the termination of his/her tenure until the same has become open information. **Obligations borne by a director when performing his/her duties during his/her term of office shall not be waived or terminated as a result of his/her cessation.**
Article 137 An independent director shall not be removed without reason from his/her office before the expiration of his/her term of office. Where an independent director is removed from office prior to the expiration of his/her term of office, the Company shall **make special disclosure in relation thereto**. An independent director who fails to attend in person for **3** consecutive board meetings, the Board **may put forward a proposal at the shareholders' general meeting to replace such director**.	**Article 126 The Company may dismiss an independent director through legal procedures** before the expiration of his/her term of office. Where an independent director is removed from office prior to the expiration of his/her term of office, the Company shall **disclose specific reason and basis thereof in a timely manner**. **Where there is any disagreement from the independent director, the Company shall make disclosure in a timely manner.** **An independent director shall attend the board meeting in person. Where an independent director unable to attend the meeting, he/she shall review meeting materials in advance to provide clear opinions, and appoint another independent director in written to attend the meeting on his/her behalf.** An independent director who fails to attend **either** in person **or by appoint another independent director** for **2** consecutive board meetings, the Board **shall propose the convening of a general meeting to dismiss his/her position as independent director within 30 days from the date of occurrence of such event.**

Existing Articles	Amended Articles
(Added)	**Article 128 Independent directors shall earnestly perform their duties in accordance with relevant provisions of laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association, and play the roles of participation in decision-making, supervising and balancing, and professional consulting in the board of directors, so as to safeguard the interests of the Company as a whole and to protect the legitimate rights and interests of minority shareholders.** **As members of the board of directors, independent directors owe fiduciary duties and duties of care to the Company and all shareholders, and shall prudently perform the following duties:** **(1) to participate in board decision-making and express clear opinions on the discussed matters;** **(2) to supervise potential material conflicts of interest between the Company and its controlling shareholder, actual controlling party, directors and senior management personnel, and protect the legitimate rights and interests of minority shareholders;** **(3) to provide professional and objective recommendation for the business development of the Company and promote improvement of board decision-making level;** **(4) other responsibilities stipulated by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association.**

Existing Articles	Amended Articles
(Added)	**Article 129 Independent directors shall exercise the following special powers:** **(1) to independently engage intermediaries to audit, consult or verify specific matters of the Company;** **(2) to request the board of directors to convene an extraordinary general meeting;** **(3) to request the convening of meetings of the board of directors;** **(4) to lawfully solicit shareholder rights from shareholders publicly;** **(5) to express independent opinions on matters that may harm the Company or the rights and interests of minority shareholders;** **(6) other powers stipulated by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association.** **The exercise of powers listed in items (1) to (3) of the foregoing paragraph by independent directors shall require the approval of majority of all independent directors.** **The Company shall make timely disclosure upon the exercise of powers listed in item (1) by independent directors. The Company shall disclose specific circumstances and reasons where such powers cannot be exercised normally.**

Existing Articles	Amended Articles
(Added)	**Article 130 The following matters shall be submitted to the board of directors for consideration after obtaining the approval of majority of all independent directors of the Company:** **(1) discloseable connected transactions;** **(2) proposals for the Company and related parties to change or waive undertakings;** **(3) decisions made and measures taken by the board of directors regarding the acquisition during the acquisition of the Company;** **(4) other matters stipulated by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association.**
(Added)	**Article 131 The Company shall establish a special meeting mechanism consisting entirely of independent directors. Prior approval by the special meeting of independent directors is required for the consideration of connected transactions and other matters by the board of directors.** **The Company shall convene a special meeting of independent directors regularly or irregularly. Matters set out in items (1) to (3) of paragraph 1 of Article 129 and Article 130 of these Articles of Association shall be considered by the special meeting of independent directors.** **The special meeting of independent directors may study and discuss other matters of the Company as required.**

Existing Articles	Amended Articles
	The special meeting of independent directors shall be convened and presided over by an independent director jointly elected by majority of the independent directors; where the convener fails to perform duties or is unable to perform duties, two or more independent directors may convene the meeting themselves and elect a representative to preside. **The special meeting of independent directors shall prepare meeting minutes as prescribed, and the opinions of independent directors shall be recorded in the meeting minutes. Independent directors shall sign and confirm the meeting minutes.** **The Company shall facilitate and support the convening of special meetings of independent directors.**
Article 139 The directors shall comply with the laws, administrative regulations**, regulations of the authorities** and these Articles of Association and shall faithfully perform their following obligations to the Company: (1) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company; (2) not to misappropriate the **company's** funds; (3) not to deposit any assets or funds of the Company into any accounts opened in their names or in the names of other individual;	**Article 132** The directors shall comply with the laws, administrative regulations and these Articles of Association**, bear the fiduciary obligations towards the Company, and take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their position and power to seek improper benefits.** **The directors** shall faithfully perform their following obligations to the Company: (1) not to abuse their rights to accept bribes or other illegal income and not to misappropriate the properties of the Company; (2) not to misappropriate the **Company's** funds; (3) not to deposit any assets or funds of the Company into any accounts opened in their names or in the names of other individual;

Existing Articles	Amended Articles
(4) not to violate these Articles of Association and lend the funds of the Company to others or provide guarantee to others by charging the Company's assets without approval of the shareholders' general meetings or the board;	(4) not to **directly or indirectly** enter into contracts or transactions with the Company **without reporting to the board of directors or the general meeting and obtaining approval through a resolution of the board of directors of the general meeting in accordance with provisions under these Articles of Association**;
(5) not to enter into contracts or transactions with the Company **in violation of these Articles of Association or without approval of the shareholders' general meeting**;	**(5)** not to use their position to seek business opportunities which belong to the Company for themselves or others, **except when having reported to the board of directors or the general meeting and approved by a resolution of the general meeting, or except that the Company is unable to utilize such business opportunity according to the provisions of laws, administrative regulations or these Articles of Association;**
(6) not to use their position to seek business opportunities which **rightfully** belong to the Company for themselves or others, **or** to engage in the same type of businesses as the company on his/her own or for others without **approval of the shareholders' general meeting**;	**(6) not** to engage in the same type of businesses as the company on his/her own or for others without **reporting to the board of directors or the general meeting and obtaining approval through a resolution of the general meeting;**
(7) not to accept commissions in relation to transactions between any third party and the Company;	(7) not to accept commissions in relation to transactions between any third party and the Company;
(8) not to disclose the secrets of the Company without consent;	(8) not to disclose the secrets of the Company without consent;
(9) not to use their connections to harm the interests of the Company; and	(9) not to use their connections to harm the interests of the Company; and
(10) to be bound by other obligations stipulated by the laws, rules, regulations and these Articles of Association.	(10) to be bound by other obligations stipulated by the laws, rules, regulations and these Articles of Association.
Income derived by any directors in violation of this article shall be forfeited by the Company. Any director who act in violation of this article shall be liable for compensation for any losses caused to the Company.	

Existing Articles	Amended Articles
	Income derived by any directors in violation of this article shall be forfeited by the Company. Any director who act in violation of this article shall be liable for compensation for any losses caused to the Company. **When close relatives of directors and senior management personnel, enterprises directly or indirectly controlled by directors, senior management personnel or their close relatives, and other connected parties having other affiliations with directors or senior management enter into contracts or conduct transactions with the Company, the provisions of clause (4) of paragraph 2 of this Article shall apply.**
Article 144 The board of directors shall not dispose of or agree to dispose of any fixed assets without approval by the shareholders' general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposed disposal of the fixed assets exceeds 33 percent of the value of the fixed assets as shown on the latest balance sheet considered and approved at the shareholders' general meeting. **Disposals of fixed assets mentioned herein include transfer of certain asset interests, but do not include provision of security interests by pledge of fixed assets.** **The effectiveness of the Company's disposal of fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 of this Article.**	(Deleted)

Existing Articles	Amended Articles
Article 150 Whenever the chairman is unable to or fails to exercise his/her powers, a director voted by **more than one half** of the directors shall perform the duties.	**Article 141** Whenever the chairman is unable to or fails to exercise his/her powers, a director voted by **majority** of the directors shall perform the duties.
Article 151 Regular meetings of the board of directors shall be convened at least four times a year and be called by the chairman of the board of directors. A notice of meeting and the meeting documents shall be served to all directors **and supervisors** at least 14 days before the meeting is convened.	**Article 142** Regular meetings of the board of directors shall be convened at least four times a year and be called by the chairman of the board of directors. A notice of meeting and the meeting documents shall be served to all directors at least 14 days before the meeting is convened. **Notice of board meeting of the Company shall be delivered by hand, by post or by fax in written.**
Article 153 Meetings of the board of directors shall be held only if a majority of all the directors (including any director who has authorized other directors in writing to attend the meeting on behalf of him/her) are present. Each director shall have one vote. Resolutions made by the board of directors shall be approved by a majority of all the directors.	**Article 144** Meetings of the board of directors shall be held only if a majority of all the directors (including any director who has authorized other directors in writing to attend the meeting on behalf of him/her) are present. **The convening and voting of a board meeting can be conducted on site, or by means of electronic communication or written proposals or other means.** Each director shall have one vote. Resolutions made by the board of directors shall be approved by a majority of all the directors.

Existing Articles	Amended Articles
Article 142 The board of directors shall establish special committees such as audit committee and risk management committee, remuneration committee, nomination committee and nuclear safety committee in accordance with laws and regulations and the requirements under the **listing rules of the stock exchange on which the shares of the Company are listed**, and establish strategic committee or other special committees if necessary. Special committees are responsible to the board of directors and perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals shall be submitted to the board of directors for review and decision. The members of the special committee are all directors, of which the majority of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee **are** independent directors **and act as conveners**. The conveners of the Audit and Risk Management Committee are accounting professionals. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.	**Chapter 9 Special Committees of the Board of Directors** **Article 149** The board of directors shall establish special committees such as audit committee and risk management committee, remuneration committee, nomination committee and nuclear safety committee in accordance with laws and regulations and the requirements under the **regulatory provisions in the places where the Company is listed**, and establish strategic committee or other special committees if necessary. Special committees are responsible to the board of directors and perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals shall be submitted to the board of directors for review and decision. The members of the special committee are all directors, of which the majority of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee **shall be** independent directors**, and chairman of these committees shall be served by an independent director, who shall also act as the convener of meetings**. The conveners of the Audit and Risk Management Committee are accounting professionals **among the independent directors**. The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.

Existing Articles	Amended Articles
(Added)	**Article 150 The Company does not have the supervisory committee or supervisor, and the duties of the supervisory committee are performed by the Audit and Risk Management Committee in accordance with provisions under the Company Law.**
(Added)	**Article 151 The Audit and Risk Management Committee should comprise at least three directors who are not serving as senior management personnel of the Company. Employee directors under the board of directors may serve as members of the Audit and Risk Management Committee.**
(Added)	**Article 152 The Audit and Risk Management Committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating the internal and external auditing work and internal control of the Company. The following matters shall be submitted to the board of directors for deliberation with the approval of majority of all members of the Audit and Risk Management Committee:** **(1) disclosure of financial information in financial statements and periodic reports as well as internal control evaluation reports;** **(2) appointment or dismissal of the accounting firm that undertakes the audit engagements of the Company;** **(3) appointment or dismissal of the chief financial officer of the Company or person in charge of the internal audit department;** **(4) changes in accounting policies or accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;**

Existing Articles	Amended Articles
	(5) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association, and other matters as authorised by the board of directors.
(Added)	**Article 153 The Audit and Risk Management Committee shall hold at least one meeting quarterly. Special meetings may be convened as requested by two or more members or when the convenor considers it necessary. A meeting of the Audit and Risk Management Committee shall be held only when not less than two-thirds of the members are present.** **Resolutions of the Audit and Risk Management Committee shall be adopted by more than a half of vote of the members of the Audit and Risk Management Committee.** **Resolutions of the Audit and Risk Management Committee are voted by way of poll with each member having one vote.** **The Audit and Risk Management Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit and Risk Management Committee attending the meeting shall sign on the meeting minutes.** **The Board is responsible for formulating the work rules for the Audit and Risk Management Committee.**

Existing Articles	Amended Articles
(Added)	**Article 154 The Nomination Committee is responsible for formulating the standards and procedures for selection of directors and senior management personnel, screening and reviewing the candidates for directors and senior management personnel and their qualifications, as well as making recommendations to the board of directors on the following matters:** **(1) nomination or dismissal of directors;** **(2) appointment or dismissal of senior management personnel;** **(3) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association, and other matters as authorised by the board of directors.** **For recommendations of the Nomination Committee not being adopted or completely adopted by the board of directors, the opinions of the Nomination Committee and reasons for non-adoption shall be recorded in the resolution of the board of directors, and shall be disclosed accordingly.**

Existing Articles	Amended Articles
(Added)	**Article 155 The Remuneration Committee is responsible for formulating the assessment standards for directors and senior management personnel and conducting assessments, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for directors and senior management personnel, as well as making recommendations to the board of directors on the following matters:** **(1) the remuneration of directors and senior management personnel;** **(2) the formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;** **(3) the arrangement of stock ownership plans for directors and senior management personnel in the event of a proposed spin-off of a subsidiary;** **(4) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association, and other matters as authorised by the board of directors.** **For recommendations of the Remuneration Committee not being adopted or completely adopted by the board of directors, the opinions of the Remuneration Committee and reasons for non-adoption shall be recorded in the resolution of the board of directors, and shall be disclosed accordingly.**

Existing Articles	Amended Articles
(Added)	**Article 156 The Nuclear Safety Committee focuses on the reliability of nuclear power plants and nuclear safety and, primarily through reviewing the relevant reports, communications with internal and external parties and field research, understands and studies the status and trends of nuclear safety of the Company, and provides the Board with appropriate advice and supports accordingly. The Nuclear Safety Committee shall perform the following duties:** **(1) listens to reports of the Company relating to status of nuclear safety;** **(2) listens to independent nuclear safety assessment reports on the Company by third-party organizations;** **(3) implements necessary nuclear safety oversight, offers guidance and conducts research activities in accordance with the needs;** **(4) reports observations and recommendations to the board of directors;** **(5) gives appropriate response to the general meeting on nuclear safety issues of concern;** **(6) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and these Articles of Association, and other matters as authorised by the board of directors.**

Existing Articles	Amended Articles
Article 162 The Company shall have a president who is accountable to the board of directors. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors. The Company shall have several vice presidents and one chief financial officer who shall assist the president in work. The vice president and the chief financial officer shall be nominated by the president and appointed or removed by the board of directors.	**Article 161** The Company shall have a president who is accountable to the board of directors. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors. **The president shall be appointed for a term of three years, which is renewable upon re-election.** The Company shall have several vice presidents and one chief financial officer who shall assist the president in work. The vice president and the chief financial officer shall be nominated by the president and appointed or removed by the board of directors.
Article 166 The president shall exercise the following duties and powers: ..... (7) to propose the appointment or removal of the Company's senior management personnel, such as vice president, the chief accountant and etc.;	**Article 165** The president shall exercise the following duties and powers: ..... (7) to propose the appointment or removal of the Company's senior management personnel, such as vice president, the chief accountant**, the chief legal advisor** and etc.; .....
Chapter 13 Supervisory Committee **(Article 169 to Article 181)**	(Deleted)
Article 198 If a director**, supervisor** or a senior management personnel has violated the laws, administrative regulations, regulations of authorities or these Articles of Association in performing his/her duties thereby causing losses to the Company, he/she shall be liable for compensation.	**Article 184 If a director or a senior management personnel causes damage to others during the performance of his/her duties, the Company shall be liable for compensation; where a director or a senior management personnel acts with willful or material default, he/she shall also be liable for compensation.** If a director or a senior management personnel has violated the laws, administrative regulations, regulations of authorities or these Articles of Association in performing his/her duties thereby causing losses to the Company, he/she shall be liable for compensation.

Existing Articles	Amended Articles
(Added)	**Article 187 Senior management personnel of the Company shall faithfully perform their duties, and protect the best interests of the Company and all shareholders.** **If any senior management personnel of the Company fails to faithfully perform his/her duties or violates his/her duty of good faith, causing harm to the interests of the Company and public shareholders, he/she shall be liable for compensation in accordance with laws.**
Chapter 15 Financial and Accounting Systems, Profit Distribution and Auditing **Article 201** The Company shall establish its financial **and** accounting systems in accordance with laws, administrative regulations and **PRC enterprise accounting standards formulated by** the **finance regulatory department** of the State Council.	**Chapter 13 Financial, Accounting, Auditing and Legal Advisor Systems** **Article 188** The Company shall establish its financial**,** accounting**, auditing and legal advisor** systems in accordance with laws, administrative regulations and **rules of** the **relevant departments** of the State Council.
Article 210 Before making-up the losses, allocating the statutory common reserve funds, the Company shall not distribute the dividends or carry out other distribution by way of bonus, where distribution had been completed, the shareholders shall return the profits distributed in breach of the regulations to the Company. The Company shall not participate in the profit distribution for holding its own shares.	**Article 197** Before making-up the losses, allocating the statutory common reserve funds, the Company shall not distribute the dividends or carry out other distribution by way of bonus, where distribution had been completed, the shareholders shall return the profits distributed in breach of the regulations to the Company. **The shareholder, and the responsible directors and senior management personnel shall make compensation for the loss incurred to the Company.** The Company shall not participate in the profit distribution for holding its own shares.

Existing Articles	Amended Articles
Article 212 The common reserve fund of the Company shall be applied for compensating the losses, expansion of production and operation, or conversion into the capital of the Company. **However, the capital common reserve fund of the Company shall not be used to offset loss of the Company.** When the statutory common reserve fund is converted into capital of the Company, the balance of the statutory common reserve fund may not fall below **25 percent** of the Company's registered capital prior to such conversions.	**Article 199** The common reserve fund of the Company shall be applied for compensating the losses, expansion of production and operation, or conversion into the capital of the Company. **Where the reserve fund is used to cover losses made by the Company, the discretionary reserve fund and statutory reserve fund shall be firstly used. If losses still cannot be covered, the capital common reserve fund can be used according to the relevant provisions.** When the statutory common reserve fund is converted into capital of the Company, the balance of the statutory common reserve fund may not fall below **25%** of the Company's registered capital prior to such conversions.
Article 213 ..... (5) Reviewing procedures of the profit distribution of the Company The profit distribution plan of the Company shall be formulated by the board of directors after taking into account, requirements of these Articles of Association, profit and funding needs of the Company. **The supervisory committee of the Company shall review the profit distribution plan and issue written opinions; independent directors shall issue specific independent pinions in respect of the profit distribution plan.**	**Article 200** ..... (5) Reviewing procedures of the profit distribution of the Company The profit distribution plan of the Company shall be formulated by the board of directors after taking into account, requirements of these Articles of Association, profit and funding needs of the Company.

Existing Articles	Amended Articles
Independent directors may collect the opinions of minority shareholders and propose the distribution plan and submit directly to the board of directors for reviewing. Upon review and approval of the profit distribution plan, the board of directors shall propose the plan at the **shareholders'** general meeting for review and approval. Before the profit distribution plan is reviewed at the **shareholders'** general meeting, the Company shall proactively communicate and exchange through various channels with shareholders, especially minority shareholders, to attentively obtain the opinions and requests of minority shareholders and give timely response to the issues that they are concerned with; when reviewing the profit distribution plan, the Company shall provide access to online voting for shareholders for voting purpose**; the supervisory committee shall supervise the formulation and decision-making by the board of directors of the profit distribution plan of the Company**. (6) Where the Company meets the conditions of cash dividend but does not propose a scheme of cash dividend or the total cash profits to be allocated by the Company is less than 30% of the net profits attributable to the Shareholders of the Company, the board of directors shall make special explanations in respect of the specific reasons, exact use of the unallocated profits and relevant gains**, the independent directors shall also issue independent opinions in this respect and the supervisors committee shall review and issue its opinion, all of which shall be disclosed through designated media by the Company**.	**The independent directors have the right to express their independent opinions if they consider that the specific proposal for cash dividend distribution may harm the interests of the Company or minority shareholders. If the board of directors does not adopt the opinions of the independent directors or does not fully adopt them, it shall record the opinions of the independent directors and the specific reasons for non-adoption and disclose the same in the resolution of the board of directors.** Upon review and approval of the profit distribution plan, the board of directors shall propose the plan at the general meeting for review and approval. Before the profit distribution plan is reviewed at the general meeting, the Company shall proactively communicate and exchange through various channels with shareholders, especially minority shareholders, to attentively obtain the opinions and requests of minority shareholders and give timely response to the issues that they are concerned with; when reviewing the profit distribution plan, the Company shall provide access to online voting for shareholders for voting purpose. (6) Where the Company meets the conditions of cash dividend but does not propose a scheme of cash dividend or the total cash profits to be allocated by the Company is less than 30% of the net profits attributable to the Shareholders of the Company, the board of directors shall make special explanations in respect of the specific reasons, exact use of the unallocated profits and relevant gains. .....

Existing Articles	Amended Articles
Article 218 The Company adopts the system of internal auditing and **hires professional auditors to undertake internal auditing of the Company's operating activities and internal control**.	**Article 205** The Company adopts the system of internal auditing and **clearly defines the leading system, duties and authorities, personnel allocation, fund guarantee, use of audit results and accountability etc.**
Article 219 The Company's internal auditing system **and duties of the auditors** shall be implemented after they have been approved by the board of directors. The person in charge of **audit** shall be appointed by and report to the board of directors.	**Article 206** The Company's internal auditing system shall be implemented after they have been approved by the board of directors**, and make disclosure to external parties**. The person in charge of **the internal audit department** shall be appointed by and report to the board of directors.
(Added)	**Article 207 The Company's internal audit department shall supervise and inspect the Company's business activities, risk management, internal control and financial information.**
(Added)	**Article 208 The internal audit department is supervised and guided by the Audit and Risk Management Committee during the process of supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit department shall immediately and directly report any relevant significant issues or leads found to the Audit and Risk Management Committee.**
(Added)	**Article 209 The internal audit department is responsible for the organization and implementation of the Company's internal control evaluation. The Company issues an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal control department and considered by the Audit and Risk Management Committee.**
(Added)	**Article 210 When the Audit and Risk Management Committee communicates with external audit units such as accounting firms and national audit agencies, the internal audit department shall actively cooperate and provide necessary support and collaboration.**
(Added)	**Article 211 The Audit and Risk Management Committee shall participate in the evaluation of the chief internal auditing officer.**

Existing Articles	Amended Articles
(Added)	**Article 212 The Company shall execute the chief legal advisor system, and shall have a chief legal advisor, who shall play its role as the gatekeeper for legal review in operation management to facilitate the lawful operation and compliance management of the Company.**
Article 223 If there is a vacancy in the position of the accounting firm, the board of directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period when such a vacancy arises.	**Article 216 The Company shall retain an independent accounting firm that fulfills the requirements provided by the Securities Law to perform audits of financial statements, verify net assets, and other related consulting services for a term of 1 year. Reappointment is possible.** **The retaining or removal of an accounting firm by the Company shall be resolved by a general meeting. The board of directors shall not appoint an accounting firm before a resolution is made by a general meeting.**
Article 225 The **remuneration** of an accounting firm **or the manner in which such firm is to be remunerated** shall be determined by the shareholders in a **shareholders'** general meeting. **The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.**	**Article 218** The **audit fee** of an accounting firm shall be determined by the shareholders in a general meeting.
Article 226 The Company's appointment, removal or non-reappointment of an accounting firm shall be resolved by the shareholders in a shareholders' general meeting. Such resolution shall be filed with the securities regulatory authority of the State Council. Where a resolution at a **shareholders'** general meeting is passed to appoint an accounting firm other than an incumbent accounting firm, to fill a casual vacancy in the office of the accounting firm, to reappoint an accounting firm who was appointed by the board of directors to fill a casual vacancy or to remove an accounting firm before expiry of its term of office, the following provisions shall apply:	**Article 219** Where a resolution at a general meeting is passed to appoint an accounting firm other than an incumbent accounting firm, to fill a casual vacancy in the office of the accounting firm, to reappoint an accounting firm who was appointed by the board of directors to fill a casual vacancy or to remove an accounting firm before expiry of its term of office, the following provisions shall apply: .....

Existing Articles	Amended Articles
Article 245 Where the Company is liquidated by reason of dissolution, upon completion of the categorization of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall **immediately** apply to the **court** in accordance with laws for **a declaration of insolvency**. **After the Company is declared insolvent by a ruling of the court, the liquidation committee shall transfer all matters arising from the liquidation to the court.** **Where the Company is declared bankrupt according to law, it shall carry out bankruptcy liquidation according to the legal provisions concerning bankruptcy liquidation.**	**Article 238 Upon** completion of the categorization of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall apply to the **People's Court** in accordance with laws for **insolvency and liquidation**. **After the People' s Court accepts the bankruptcy application, the liquidation committee shall transfer to the bankruptcy administrator designated by the People's Court all matters arising out of the liquidation.**
Article 256 Unless the context otherwise specifies, the "announcements" used herein shall mean, with respect to announcements made to the holder of the Domestic-Listed Domestic Shares or announcements that are required to be made within the PRC in accordance with relevant regulations and these Articles of Association, the announcements published **in Chinese newspapers designated by** Chinese laws, administrative regulations or the securities regulatory authorities of the State Council; with respect to announcements made to the holders of the Overseas-Listed Foreign Shares or announcements that are required to be made within Hong Kong in accordance with relevant regulations and these Articles of Association, such announcements must be published on the website of the Company and the website of Hong Kong Stock Exchange in accordance with The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with the requirements as stipulated under such rules from time to time.	**Article 249** Unless the context otherwise specifies, the "announcements" used herein shall mean, with respect to announcements made to the holder of the Domestic-Listed Domestic Shares or announcements that are required to be made within the PRC in accordance with relevant regulations and these Articles of Association, the announcements published **on media designated by the Company for information disclosure. Such media for information disclosure shall comply with rules of the** Chinese laws, administrative regulations or **relevant provisions of** the securities regulatory authorities of the State Council; with respect to announcements made to the holders of the Overseas-Listed Foreign Shares or announcements that are required to be made within Hong Kong in accordance with relevant regulations and these Articles of Association, such announcements must be published on the website of the Company and the website of Hong Kong Stock Exchange in accordance with The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with the requirements as stipulated under such rules from time to time.

Existing Articles	Amended Articles
Chapter 23 Resolution of Disputes **Article 257 The Company shall abide by the following principles for dispute resolution:** **(1) Whenever any disputes or claims arise between: holders of the Overseas- Listed Foreign Shares and the Company; holders of the Overseas- Listed Foreign Shares and the Company' s directors, supervisors, senior executives; or holders of the Overseas-Listed Foreign Shares and holders of Domestic-Listed Domestic Shares, in respect of any disputes or claims in relation to the affairs of the Company arising as a result of any rights or obligations arising from these Articles of Association, the Company Law or other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.** **Where a dispute or claim of rights mentioned in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, if such person is the Company or the Company's shareholders, directors, supervisors, or senior management personnel, comply with the decisions made in the arbitration. Disputes in respect of definition of shareholders and register of shareholders may not be resolved by arbitration.**	(Deleted)

Existing Articles	Amended Articles
(2) A claimant may elect for arbitration to be carried out at either China International Economic and Trade Arbitration Commission in accordance with its Rules or Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center. **(3) If any disputes or claims of rights are referred to arbitration in accordance with sub-paragraph (1) of this Article, the PRC laws shall apply, save as otherwise provided in the laws and administrative regulations.** **(4) The award of an arbitral body shall be final and conclusive and binding on all parties.**	

Comparison of the amendments to the Procedural Rules of General Meeting

Existing Articles	Amended Articles
Article 1 The Rules are drawn up in accordance with the Company Law of the People' s Republic of China, the Securities Law of the People's Republic of China, **the Mandatory Provisions for these Articles of Association of the Companies to be Listed Overseas,** the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Listing Rules of the Shenzhen Stock Exchange and **the Guidelines for the Standard Operation of Companies Listed on the Shenzhen Stock Exchange** and other regulations on supervision of domestic and overseas listed companies, and the Articles of Association of CGN Power Co., Ltd. (the "Articles of Association") to protect the legitimate interest of CGN Power Co., Ltd. (the "Company") and shareholders, clarify duties and authorities of the **shareholders'** general meeting and ensure standardised, efficient and stable operation of the **shareholders'** general meeting and performance of responsibilities and duties in compliance with laws.	Article 1 The Rules are drawn up in accordance with the Company Law of the People' s Republic of China, the Securities Law of the People's Republic of China, the Guidance for the Articles of Association of Listed Companies, **the Rules for the Shareholders' Meetings of Listed Companies,** the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Listing Rules of the Shenzhen Stock Exchange and **the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board** and other regulations on supervision of domestic and overseas listed companies, and the Articles of Association of CGN Power Co., Ltd. (the "Articles of Association") to protect the legitimate interest of CGN Power Co., Ltd. (the "Company") and shareholders, clarify duties and authorities of the general meeting and ensure standardised, efficient and stable operation of the general meeting and performance of responsibilities and duties in compliance with laws.
Article 3 **Shareholders' general** meetings are divided into annual general meetings ("AGM") and extraordinary general meetings.	Article 3 **General** meetings are divided into annual general meetings ("AGM") and extraordinary general meetings. **General meetings shall be convened by the board of directors.**

Existing Articles	Amended Articles
Article 5 The **shareholders'** general meetings convened for a year are extraordinary general meetings except AGMs. Extraordinary general meetings should be held in the order specified for the convening years.	Article 5 The general meetings convened for a year are extraordinary general meetings except AGMs. Extraordinary general meetings should be held in the order specified for the convening years.
The board of directors shall convene an extraordinary general meeting within **two** months from the date of occurrence of any one of the following events:	The board of directors shall convene an extraordinary general meeting within **2** months from the date of occurrence of any one of the following events:
(1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;	(1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
(2) where the unrecovered losses of the Company amount to one-third of the total amount of its **paid-up** share capital;	(2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
(3) where shareholder(s) who individually or jointly hold 10% or more of the Company's issued voting shares make request(s) in writing for the convening of an extraordinary general meeting;	(3) where shareholder(s) who individually or jointly hold 10% or more of the Company's issued voting shares make request(s) in writing for the convening of an extraordinary general meeting;
(4) whenever the board of directors deems necessary or the **supervisory committee** so requests;	(4) whenever the board of directors deems necessary or the **Audit and Risk Management Committee** so requests;
(5) **when more than half of the independent directors propose to convene the meeting;**	(5) other circumstances provided by relevant laws, administrative regulations, regulations of the authorities and the Articles of Association.
(6) other circumstances provided by relevant laws, administrative regulations, regulations of the authorities and the Articles of Association.	The shareholdings referred to in item (3) above shall be calculated on the basis of the number of shares held as at the date of written request from the shareholders.
The shareholdings referred to in item (3) above shall be calculated on the basis of the number of shares held as at the date of written request from the shareholders.	**In case of failure to convene the general meeting within the timeframe stated above, the Company shall report to the local office of China Securities Regulatory Commission (the "CSRC") and the stock exchange where shares of the Company are listed (the "Stock Exchange"), illustrate the reasons and publish relevant announcement.**

Existing Articles	Amended Articles
Article 6 Those shareholders who hold different classes of shares are class shareholders. Apart from the holders of other classes of shares, the holders of the Domestic-Listed Domestic Shares and holders of Overseas-Listed Foreign Shares shall be deemed to be holders of different classes of shares. Rights conferred on any class of shareholders ("class rights") may not be varied or cancelled save with the approval of a special resolution of shareholders in a shareholders' general meeting and at a class meeting in accordance with the provisions under the Articles of Association.	(Deleted)
Article 10 The **shareholders'** general meeting holds the powers of the Company and shall exercise its functions and powers in accordance with the law, and shall have the following functions and powers: (1) to decide on the Company's operational policies and investment plans; (2) to appoint and replace directors and to decide on matters relating to the remuneration of directors; (3) **to appoint and replace supervisors who are not representatives of the employees and to decide on matters relating to the remuneration of supervisors;** **(4)** to consider and approve the board of directors' reports; (5) **to consider and approve the supervisory committee's reports;** **(6)** to consider and approve the Company's profit distribution plans and loss recovery plans;	Article 9 The general meeting holds the powers of the Company and shall exercise its functions and powers in accordance with the law, and shall have the following functions and powers: (1) to decide on the Company's operational policies and investment plans; (2) to appoint and replace **non-employee representative** directors and to decide on matters relating to the remuneration of directors; (3) to consider and approve the board of directors' reports; (**4**) to consider and approve the Company's profit distribution plans and loss recovery plans; (**5**) to consider and approve the Company's proposed and final annual financial budgets; (**6**) to pass resolutions on the increase or reduction of the Company's registered capital;

Existing Articles	Amended Articles
(**7**) to consider and approve the Company's proposed and final annual financial budgets;	(**7**) to pass resolutions on matters such as merger, division, dissolution, liquidation or change of the corporate form of the Company;
(**8**) to pass resolutions on the increase or reduction of the Company's registered capital;	(**8**) to pass resolutions on the issue of shares, debentures and share repurchases by the Company;
(**9**) to pass resolutions on matters such as merger, division, dissolution, liquidation or change of the corporate form of the Company;	(**9**) to amend the Articles of Association;
(**10**) to pass resolutions on the issue of shares, debentures and share repurchases by the Company;	(**10**) to consider and approve motions raised by shareholders, individually or jointly, holding **1**% or more of the total number of issued voting shares of the Company;
(**11**) to amend the Articles of Association;	(**11**) to consider and approve the purchase and sale of major assets with value exceeding 30% of the total assets of the Company as shown in the latest published audited financial statements of the Company within **1** year;
(**12**) to consider and approve motions raised by shareholders, individually or jointly, holding **3**% or more of the total number of issued voting shares of the Company;	(**12**) to consider and approve the provision of external guarantees subject to approval at the general meeting under the Articles of Association;
(**13**) to consider and approve the purchase and sale of major assets with value exceeding 30% of the total assets of the Company as shown in the latest published audited financial statements of the Company within **one** year;	(**13**) to consider and approve the changes in the use of funds;
(**14**) to consider and approve the provision of external guarantees subject to approval at the **shareholders'** general meeting under the Articles of Association;	(**14**) to consider and approve the share incentive schemes **and employee stock ownership plans**;
(**15**) to consider and approve the changes in the use of funds;	(**15**) to pass resolutions on the appointment, dismissal and non-reappointment of the accountants of the Company;

Existing Articles	Amended Articles
(**16**) to consider and approve the share incentive schemes; (**17**) to pass resolutions on the appointment, dismissal and non-reappointment of the accountants of the Company; (**18**) to decide on other matters which need to be approved by shareholders in shareholders' general meetings according to the relevant laws, administrative regulations, regulations of the authorities or the Articles of Association. If necessary and appropriate, the **shareholders'** general meeting may authorize the board of directors to decide on matters to be resolved and which cannot or are not required to be decided at the **shareholders'** general meeting. If the board of directors is authorized in a **shareholders'** general meeting to determine matters which shall be determined by ordinary resolution, the authorization should be passed by majority voting rights held by the attending shareholders (including their proxies); if the authorization relates to matters which shall be determined by special resolution, the authorization should be passed by attending shareholders (including their proxies) holding more than two-thirds of the voting rights. The terms of the authorization should be clear and specific. Unless prior approval in the form of a special resolution is obtained in a **shareholders'** general meeting, the Company shall not enter into any contract with any person other than the directors**, supervisors,** senior management personnel pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business.	(**16**) to decide on other matters which need to be approved by shareholders in shareholders' general meetings according to the relevant laws, administrative regulations, regulations of the authorities or the Articles of Association. If necessary and appropriate, the general meeting may authorize the board of directors to decide on matters to be resolved and which cannot or are not required to be decided at the general meeting. If the board of directors is authorized in a general meeting to determine matters which shall be determined by ordinary resolution, the authorization should be passed by majority voting rights held by the attending shareholders (including their proxies); if the authorization relates to matters which shall be determined by special resolution, the authorization should be passed by attending shareholders (including their proxies) holding more than two- thirds of the voting rights. The terms of the authorization should be clear and specific. Unless prior approval in the form of a special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors **and** senior management personnel pursuant to which such person shall be responsible for the management and administration of the whole or any substantial part of the Company's business.

Existing Articles	Amended Articles
Article 11 The matters stated in the proposal of **shareholders'** general meeting shall fall within the functions and powers of the **shareholders'** general meeting and it shall contain specific subject and specific resolutions, and shall be in compliance with the requirements of the laws, administrative regulations, the Articles of Association and the Rules.	Article 10 The matters stated in the proposal of general meeting shall fall within the functions and powers of the general meeting and it shall contain specific subject and specific resolutions, and shall be in compliance with the requirements of the laws, administrative regulations, **regulations of the authorities,** the Articles of Association and the Rules.
The board of directors, the **supervisory committee** and the shareholders individually or jointly holding **3**% or more of the total issued voting shares of the Company may propose proposals to the Company in a **shareholders'** general meeting.	The board of directors, the **Audit and Risk Management Committee** and the shareholders individually or jointly holding **1**% or more of the total issued voting shares of the Company may propose proposals to the Company in a general meeting.
Shareholders who separately or jointly hold more than **3**% of the total issued voting shares of the Company may submit a provisional proposal to the convener in writing 10 days before the date of the **shareholders'** general meeting. The convener shall issue a supplementary notice of the **shareholders'** general meeting to disclose the name(s) of shareholder(s) proposing the provisional proposal, his/her/their shareholdings and the contents of the new proposals within 2 days of receiving the proposal.	Shareholders who separately or jointly hold more than **1**% of the total issued voting shares of the Company may submit a provisional proposal to the convener in writing 10 days before the date of the general meeting. The convener shall issue a supplementary notice of the general meeting to disclose the name(s) of shareholder(s) proposing the provisional proposal, his/her/their shareholdings and the contents of the new proposal within 2 days of receiving the proposal**, and submit the provisional proposal for consideration at the general meeting**. **However, this does not apply if the provisional proposals are in violation of provisions of laws, administrative regulations or the Articles of Association, or out of the term of reference of general meetings.**
Apart from aforesaid matters, the convener shall not amend the proposals stated in the notice of the **shareholders'** general meeting or add new proposals upon issuance of the announcement on the notice of the **shareholders'** general meeting.	Apart from aforesaid matters, the convener shall not amend the proposals stated in the notice of the general meeting or add new proposals upon issuance of the announcement on the notice of the general meeting.
The **shareholders'** general meeting shall not vote on or resolve the proposals or matters which have not been stated in the notice of the **shareholders'** general meeting or the proposals or matters which do not meet the requirements in paragraph one of this Article.	The general meeting shall not vote on or resolve the proposals or matters which have not been stated in the notice of the general meeting or the proposals or matters which do not meet the requirements in paragraph one of this Article.

Existing Articles	Amended Articles
Article 12 Proposals at the **shareholders'** general meeting shall be normally put forward by the board of directors.	Article 11 Proposals at the general meeting shall be normally put forward by the board of directors.
Article 13 Where the **supervisory committee** proposes to convene an extraordinary general meeting, it shall be responsible for putting forward proposals.	Where the **Audit and Risk Management Committee** proposes to convene an extraordinary general meeting, it shall be responsible for putting forward proposals.
Article 14 Where an extraordinary general meeting is proposed by shareholders who separately or jointly hold 10% or more of the total issued voting shares of the Company, such shareholders shall be put forward the proposals.	Where an extraordinary general meeting is proposed by shareholders who separately or jointly hold 10% or more of the total issued voting shares of the Company, such shareholders shall be put forward the proposals.
Article 15 Proposals relating to the following circumstances shall be deemed to be variation or cancellation of the rights attaching to a particular class of shares, and the board of directors shall propose to the class meeting to consider: **(1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having equal or better voting, distribution or other rights to those of shares of that class;** **(2) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;** **(3) to remove or reduce rights to accrued dividends or to cumulative dividends attaching to shares of that class;** **(4) to reduce or remove preferential rights attaching to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;**	(Deleted)

Existing Articles	Amended Articles
(5) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attaching to shares of that class; **(6) to remove or reduce rights to receive payment from the Company in specific currencies attaching to shares of that class;** **(7) to create a new class of shares having equal or better voting, distribution or other rights to those of the shares of that class;** **(8) to impose or increase restrictions on the transfer of ownership of shares of that class;** **(9) to issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;** **(10) to increase the rights or privileges of shares of another class;** **(11) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;** **(12) to vary or abrogate the provisions under Chapter 9 "Special Procedures for Voting by a Class of Shareholders" of the Articles of Association.**	

Existing Articles	Amended Articles
Article 16 The notice of **shareholders'** general meeting shall be issued by the convener of the meeting. The Board shall convene **shareholders'** general meetings on schedule within the prescribed time frame as stipulated in the Rules. If the board of directors cannot or fails to perform its duty to convene the **shareholders'** general meeting, the **supervisory committee** shall convene and chair the meeting promptly; if the **supervisory committee** cannot or fails to perform its duty to convene the **shareholders'** general meeting for more than 90 consecutive days, the shareholders who separately or jointly hold more than 10% of the Company's total issued voting shares may convene and chair the meeting by themselves.	Article 12 The notice of general meeting shall be issued by the convener of the meeting. The Board shall convene general meetings on schedule within the prescribed time frame as stipulated in the Rules. If the board of directors cannot or fails to perform its duty to convene the general meeting, the **Audit and Risk Management Committee** shall convene and chair the meeting promptly; if the **Audit and Risk Management Committee** cannot or fails to perform its duty to convene the general meeting for more than 90 consecutive days, the shareholders who separately or jointly hold more than 10% of the Company's total issued voting shares may convene and chair the meeting by themselves.
Article 1**7** A notice of an annual general meeting shall be given **20 business** days before the date of the meeting by the meeting convener; a notice of an extraordinary general meeting of the Company shall be given **10 business days or** 15 days before the date of the meeting **(whichever is longer)** to all registered shareholders. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the general meeting, unless otherwise specified by laws and regulations, rules of the stock exchange and other normative documents. When calculating the starting period, the Company shall exclude the day on which the notice is given and the day on which the meeting is held. **The business days in this Article refer to the days on which the Hong Kong Stock Exchange is open for securities trading.** ..... In determining the date and place of a face-to-face meeting, the convenience of shareholders shall be taken into consideration. After the notice of a face-to-face general meeting is sent, the place of the meeting shall not be changed without due cause. If it is necessary to change the place of a face-to-face meeting, the convener shall send a notice indicating the specific reasons, at least **two** working days before the date of the meeting.	Article 13 A notice of an annual general meeting shall be given **in written 21** days before the date of the meeting by the meeting convener; a notice of an extraordinary general meeting of the Company shall be given **in written** 15 days before the date of the meeting to all registered shareholders. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the general meeting, unless otherwise specified by laws and regulations, rules of the stock exchange and other normative documents. When calculating the starting period, the Company shall exclude the day on which the notice is given and the day on which the meeting is held. ..... In determining the date and place of a face-to-face meeting, the convenience of shareholders shall be taken into consideration. After the notice of a general meeting is sent, the place of the meeting shall not be changed without due cause. If it is necessary to change the place of a face-to-face meeting, the convener shall send a notice indicating the specific reasons, at least **2** working days before the date of the meeting.

Existing Articles	Amended Articles
Unless otherwise provided by relevant laws, administrative regulations, regulations of the authorities, the rules of the **stock exchange of the places where the shares of the Company are listed** or these Articles of Association, the notice of a **shareholders'** general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by public announcement, by hand or by pre-paid mail to the addresses of the shareholders as shown in the register of shareholders of the Company. For shareholders of domestically listed domestic shares, the notice of a general meeting shall be given by way of announcement. The announcement specified in the preceding paragraph shall be **published in one or more newspapers** designated by the PRC laws, administrative regulations and departmental rules or the securities regulatory authority of the State Council. Once such announcement is made, all shareholders of domestically listed domestic shares are deemed to have received the notice of the general meeting. For overseas listed foreign shares, the notice of a general meeting may be sent or given by other applicable methods specified in the Articles of Association, subject to the laws, administrative regulations and departmental rules of the place where the shares of the Company are listed, and relevant requirements of the Hong Kong Stock Exchange. If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void.	Unless otherwise provided by relevant laws, administrative regulations, regulations of the authorities, the rules of the **Stock Exchange** or these Articles of Association, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the **general** meeting) by public announcement, by hand or by pre- paid mail to the addresses of the shareholders as shown in the register of shareholders of the Company. For shareholders of domestically listed domestic shares, the notice of a general meeting shall be given by way of announcement. The announcement specified in the preceding paragraph shall be **announced on media for corporate information disclosure** designated by the PRC laws, administrative regulations and departmental rules or the securities regulatory authority of the State Council. Once such announcement is made, all shareholders of domestically listed domestic shares are deemed to have received the notice of the general meeting. For overseas listed foreign shares, the notice of a general meeting may be sent or given by other applicable methods specified in the Articles of Association, subject to the laws, administrative regulations and departmental rules of the place where the shares of the Company are listed, and relevant requirements of the Hong Kong Stock Exchange. If a notice of meeting is accidentally omitted to be sent to any person who is entitled to receive the same or that person has not received such a notice of meeting, it will not cause the meeting and any resolution made therein to be void. **However, the promoters are not subject to the above statements.**
Article 19 The notice of a class meeting shall be delivered only to shareholders entitled to vote at the class meeting.	(Deleted)

Existing Articles	Amended Articles
Article 20 The notice of a **shareholders'** general meeting shall satisfy the following requirements:	Article 15 The notice of a general meeting shall satisfy the following requirements:
(1) be in the form as stipulated in Article **17** of the Rules.	(1) be in the form as stipulated in Article **13** of the Rules.
(2) specifies the place, time and duration of the meeting.	(2) specifies the place, time and duration of the meeting.
.....	.....
(5) contains a disclosure of the nature and extent of the material interests of any director**, supervisor** and senior management personnel in the proposed transaction **and the effect which the proposed transaction will have on them in their capacity as shareholders, if it is different from the effect on the interests of shareholders of the same class**.	(5) contains a disclosure of the nature and extent of the material interests of any director and senior management personnel in the proposed transaction.
(6) contains the full text of any special resolution to be proposed at the meeting.	(6) contains the full text of any special resolution to be proposed at the meeting.
(7) contains a clear statement that all of the ordinary shareholders are entitled to attend the **shareholders'** general meeting and a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf and that such proxy needs not be a shareholder.	(7) contains a clear statement that all of the ordinary shareholders are entitled to attend the general meeting and a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his/her behalf and that such proxy needs not be a shareholder.
(8) specifies the time and place for lodging proxy forms for the meeting.	(8) specifies the time and place for lodging proxy forms for the meeting.
(9) specifies the record date for shareholders who are entitled to attend the **shareholders'** general meeting.	(9) specifies the record date for shareholders who are entitled to attend the general meeting.

Existing Articles	Amended Articles
(10) specifies the name and telephone number of the contact person for the meeting. (11) for **shareholders'** general meetings that adopt online voting or other means of voting, the time and procedure of such online voting or other means of voting shall be indicated in the notice of **shareholders'** general meeting. **In the case of online voting through the trading system of the Shenzhen Stock Exchange, the voting period shall be the trading hours of the Shenzhen Stock Exchange on the date of the general meeting.** The start time of voting through the **online voting system at a general meeting** is 9:15 a.m. on the date of the meeting, and the end time is 3:00 p.m. on the date of conclusion of the face-to-face meeting. **In case of voting online or otherwise at a general meeting, the time and procedures of the voting shall be indicated in the notice of the general meeting. The start time of voting online or otherwise at a general meeting is 9:15 a.m. on the date of the meeting, and the end time is 3:00 p.m. on the date of conclusion of the face-to-face meeting.** The above voting time shall be adjusted from time to time in accordance with relevant regulations of the Shenzhen Stock Exchange.	(10) specifies the name and telephone number of the contact person for the meeting. (11) for general meetings that adopt online voting or other means of voting, the time and procedure of such online voting or other means of voting shall be indicated in the notice of general meeting. The start time of **online** voting **for general meeting** through the **trading system of the Shenzhen Stock Exchange** is 9:15 a.m. on the date of the meeting, and the end time is 3:00 p.m. on the date of conclusion of the face-to- face meeting. The above voting time shall be adjusted from time to time in accordance with relevant regulations of the Shenzhen Stock Exchange. .....

Existing Articles	Amended Articles
Article 21 In the event that matters involving the election of directors **and supervisors** are to be reviewed at the **shareholders'** general meeting, the notice of such **shareholders'** general meeting shall fully disclose the detailed information of the candidates for such directors **and supervisors**, which shall at least include the following: ..... (4) whether or not they have been penalized by **CSRC** and other relevant authorities and any stock exchange. The list of candidates for directors **and supervisor** shall be submitted to the **shareholders'** general meeting in a form of a proposal for voting, and each candidate shall be nominated by means of a separate proposed resolution. The cumulative voting system shall be adopted for the election of **two** or more directors **or supervisors**. The cumulative voting system referred to in the preceding paragraph shall mean that when a **shareholders'** general meeting elects directors **or supervisors**, each share shall have voting rights which are the same as the number of directors **or supervisors** to be elected, and the voting rights held by a shareholder may be used together. Apart from the adoption of the cumulative voting system for election of directors **and supervisors**, each candidate of director **or supervisor** shall be individually proposed.	Article 16 In the event that matters involving the election of directors are to be reviewed at the general meeting, the notice of such general meeting shall fully disclose the detailed information of the candidates for such directors, which shall at least include the following: ..... (4) whether or not they have been penalized by **the securities regulatory authorities in the places where the Company is listed** and other relevant authorities and any stock exchange **in the places where the Company is listed**. The list of candidates for **non-employee representative** directors shall be submitted to the general meeting in a form of a proposal for voting, and each candidate shall be nominated by means of a separate proposed resolution **apart from the adoption of the cumulative voting system for election of directors**. The cumulative voting system shall be adopted for the election of **2** or more directors. The cumulative voting system referred to in the preceding paragraph shall mean that when a general meeting elects directors, each share shall have voting rights which are the same as the number of directors to be elected, and the voting rights held by a shareholder may be used together. **The directors elected shall be determined based of the number of votes for the director candidates in descending order. Meanwhile, the total votes for directors elected shall exceed a half of the number of shares carrying voting rights (based on the number of unaccumulated shares) held by shareholders attending the general meeting.**

Existing Articles	Amended Articles
Article 22 The **supervisory committee** shall have the right to propose to the board of directors in written to convene an extraordinary general meeting **or a class meeting**. The board of directors shall issue a written reply on consent or non-consent to convene the extraordinary general meeting **or class meeting** within 10 days upon the receipt of the requisition in accordance with the laws, administrative regulations and the Articles of Association. Where the board of directors gives consent to convene the extraordinary general meeting **or class meeting**, a notice on convening the extraordinary general meeting **or class meeting** shall be issued within 5 days from passing of the board resolution. Any amendment to the original proposal in the notice shall be subject to the agreement of the **supervisory committee**. Where the board of directors disagrees to convene the extraordinary general meeting **or class meeting** or fails to give the reply in writing within 10 days upon receipt of the proposal, the board of directors shall be deemed as unable or failing to perform the duties of convening the **shareholders'** general meeting **or class meeting**. As such, the **supervisory committee** may proceed to convene and preside over the meeting.	Article 17 The **Audit and Risk Management Committee** shall have the right to propose to the board of directors in written to convene an extraordinary general meeting. The board of directors shall issue a written reply on consent or non-consent to convene the extraordinary general meeting within 10 days upon the receipt of the requisition in accordance with the laws, administrative regulations and the Articles of Association. Where the board of directors gives consent to convene the extraordinary general meeting, a notice on convening the extraordinary general meeting shall be issued within 5 days from passing of the board resolution. Any amendment to the original proposal in the notice shall be subject to the agreement of the **Audit and Risk Management Committee**. Where the board of directors disagrees to convene the extraordinary general meeting or fails to give the reply in writing within 10 days upon receipt of the proposal, the board of directors shall be deemed as unable or failing to perform the duties of convening the general meeting. As such, the **Audit and Risk Management Committee** may proceed to convene and preside over the meeting.

Existing Articles	Amended Articles
Article 23 Shareholders who separately or jointly hold 10% or more of the total issued voting shares of the Company may request the board of directors to convene an extraordinary general meeting **or a class meeting** by signing a written request, the board of directors shall furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting **or a class meeting** within 10 days upon receipt of the foresaid written request in compliance with the requirements of the laws, administrative regulations and the Articles of Association. In the event that the board of directors agrees to convene an extraordinary general meeting **or a class meeting**, the notice of convening a **shareholders'** general meeting **or class meeting** shall be issued within 5 days from the passing of the relevant resolution of the board of directors. Any amendment to the proposal made in the notice requires approval of the shareholders concerned. In the event that the board of directors does not agree to convene an extraordinary general meeting **or a class meeting** or does not furnish any reply within 10 days upon receipt of such proposal, the shareholders who separately or jointly hold 10% or more of the total issued voting shares of the Company shall be entitled to propose to the **supervisory committee** to convene an extraordinary general meeting **or a class meeting**, and such proposal shall be made in writing.	Article 18 Shareholders who separately or jointly hold 10% or more of the total issued voting shares of the Company may request the board of directors to convene an extraordinary general meeting by signing a written request, the board of directors shall furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days upon receipt of the foresaid written request in compliance with the requirements of the laws, administrative regulations and the Articles of Association. In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of convening a general meeting shall be issued within 5 days from the passing of the relevant resolution of the board of directors. Any amendment to the proposal made in the notice requires approval of the shareholders concerned. In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days upon receipt of such proposal, the shareholders who separately or jointly hold 10% or more of the total issued voting shares of the Company shall be entitled to propose to the **Audit and Risk Management Committee** to convene an extraordinary general meeting, and such proposal shall be made in writing.

Existing Articles	Amended Articles
In the event that the **supervisory committee** agrees to convene an extraordinary general meeting **or a class meeting**, the notice of convening an extraordinary general meeting **or a class meeting** shall be issued within 5 days upon receipt of such request. Any amendment to the proposal made in the notice requires approval of the shareholders concerned. Failure of the **supervisory committee** to issue the notice of the **shareholders'** general meeting within the stipulated time shall be deemed as failure of the **supervisory committee** to convene and preside over a **shareholders'** general meeting **or class meeting**, shareholders who separately or jointly hold more than 10% of the total issued voting shares of the Company for more than 90 consecutive days may proceed to convene and chair the meeting. **Where the shareholders decide to convene the general meeting on their own, they should inform the board of directors of the Company in writing, and submit relevant documents to Shenzhen Stock Exchange for filing before the publication of notice of shareholders' general meeting. Before the announcement of resolutions of the shareholders' general meeting, the shareholding of the convening shareholders shall not less than 10% of total shares of the Company. The convening shareholders shall apply for lock-up of their shares in the Company during the abovementioned period before the publication of notice of shareholders' general meeting.**	In the event that the **Audit and Risk Management Committee** agrees to convene an extraordinary general meeting, the notice of convening an extraordinary general meeting shall be issued within 5 days upon receipt of such request. Any amendment to the proposal made in the notice requires approval of the shareholders concerned. Failure of the **Audit and Risk Management Committee** to issue the notice of the general meeting within the stipulated time shall be deemed as failure of the **Audit and Risk Management Committee** to convene and preside over a general meeting, shareholders who separately or jointly hold more than 10% of the total issued voting shares of the Company for more than 90 consecutive days may proceed to convene and chair the meeting.

Existing Articles	Amended Articles
Article 24 **The** independent directors shall have the rights to propose to the board of directors to convene an extraordinary general meeting. With respect to the proposal requesting to convene an extraordinary general meeting by the independent directors, the board of directors shall issue a written reply on consent or non-consent to the convening of the extraordinary general meeting within 10 days upon receipt of the proposal pursuant to the laws, administrative regulations and the Articles of Association. Where the board of directors gives consent to convene an extraordinary general meeting, a notice on convening such meeting shall be issued within 5 days from passing the resolution of the board of directors. Where the board of directors does not give consent to convene an extraordinary general meeting, it shall state the reason and make an announcement.	Article 19 **Upon approval by majority of all independent directors, the** independent directors shall have the rights to propose to the board of directors to convene an extraordinary general meeting. With respect to the proposal requesting to convene an extraordinary general meeting by the independent directors, the board of directors shall issue a written reply on consent or non-consent to the convening of the extraordinary general meeting within 10 days upon receipt of the proposal pursuant to the laws, administrative regulations and the Articles of Association. Where the board of directors gives consent to convene an extraordinary general meeting, a notice on convening such meeting shall be issued within 5 days from passing the resolution of the board of directors. Where the board of directors does not give consent to convene an extraordinary general meeting, it shall state the reason and make an announcement.

Existing Articles	Amended Articles
Article 25 In the event that the **supervisory committee** or the shareholder(s) decide(s) to convene the **shareholders'** general meeting on its or their own, the **supervisory committee** or the shareholder(s) shall notify the board of directors in writing, and file with the branch office of **the securities regulatory authorities of the State Council** at the place where the Company resides and the Shenzhen Stock Exchange. Before the announcement of resolutions of the **shareholders'** general meeting, the shareholding of the convening shareholders shall not less than 10% of total shares of the Company. The convening shareholders shall apply for lock-up of their shares in the Company during the abovementioned period before the publication of notice of **shareholders'** general meeting. The convening shareholder(s) shall submit relevant evidencing documents to **the branch office of China Securities Regulatory Commission ("CSRC") at the place where the Company resides and** the Shenzhen Stock Exchange upon the issuance of notice of the **shareholders'** general meeting and announcement of resolutions of the **shareholders'** general meeting.	Article 20 In the event that the **Audit and Risk Management Committee** or the shareholder(s) decide(s) to convene the general meeting on its or their own, the **Audit and Risk Management Committee** or the shareholder(s) shall notify the board of directors in writing, and file with the branch office of **China Securities Regulatory Commission ("CSRC")** at the place where the Company resides and the Shenzhen Stock Exchange. Before the announcement of resolutions of the general meeting, the shareholding of the convening shareholders shall not less than 10% of total shares of the Company. The convening shareholders shall apply for lock- up of their shares in the Company during the abovementioned period before the publication of notice of general meeting. The **Audit and Risk Management Committee or** convening shareholder(s) shall submit relevant evidencing documents to the Shenzhen Stock Exchange upon the issuance of notice of the general meeting and announcement of resolutions of the general meeting.

Existing Articles	Amended Articles
Article 26 The board of directors and the secretary to the board of directors shall cooperate when the **supervisory committee** or the shareholder(s) proceed to convene(s) a **shareholders'** general meeting on its or their own. The board of directors shall provide the register of shareholders as at the record date.	Article 21 The board of directors and the secretary to the board of directors shall cooperate when the **Audit and Risk Management Committee** or the shareholder(s) proceed to convene(s) a general meeting on its or their own. The board of directors shall provide the register of shareholders as at the record date. **Where the board of directors did not provide the register of shareholders, the convener can make application to the securities registration and clearing authority for obtaining the register of shareholders with relevant announcements in respect of the convening general meeting. The register of shareholders obtained by the convener shall not be used for any other purposes other than the convening of general meeting.**
Article 27 Requisite costs of the meetings convened by the **supervisory committee** or shareholder(s) on its or their own shall be borne by the Company.	Article 22 Requisite costs of the meetings convened by the **Audit and Risk Management Committee** or shareholder(s) on its or their own shall be borne by the Company.
Article 28 A shareholder who intends to attend the general meeting shall deliver his/her written reply in respect thereof to the Company within the period indicated in the meeting notice. **No matters which are not indicated in the notice shall be handled at a general meeting.**	Article 23 A shareholder who intends to attend the general meeting shall deliver his/her written reply in respect thereof to the Company within the period indicated in the meeting notice.
Article 29 After the notice of a **shareholders'** general meeting is issued by the convener, the meeting shall not be postponed or cancelled, and the motions set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the **Company** shall make an announcement and give the specific reasons therefor at least **two** working days prior to the date on which the meeting is originally scheduled. Where the **shareholders'** general meeting is postponed, the Company shall announce the postponed date of convening of the meeting in the notice.	Article 24 After the notice of a general meeting is issued by the convener, the meeting shall not be postponed or cancelled, and the motions set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the **convener** shall make an announcement and give the specific reasons therefor at least **2** working days prior to the date on which the meeting is originally scheduled. Where the general meeting is postponed, the Company shall announce the postponed date of convening of the meeting in the notice.

Existing Articles	Amended Articles
Article 30 A shareholder may attend **shareholders'** general meetings in person or, alternatively, may appoint one or more persons (whether such person is a shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf. The proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder: (1) the shareholders' right to speak at the **shareholders'** general meeting. ..... Any shareholder's instrument appointing a proxy shall be prepared in written form and signed under the hand of the principal or his/her agent duly authorised in writing. Where the principal is a legal person, the proxy form shall bear **its** seal or be signed by its **director** or an authorised person duly appointed.	Article 25 A shareholder may attend general meetings in person or, alternatively, may appoint one or more persons (whether such person is a shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf. The proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder: (1) the shareholders' right to speak at the general meeting. ..... Any shareholder's instrument appointing a proxy shall be prepared in written form and signed under the hand of the principal or his/her agent duly authorised in writing. Where the principal is a legal person **or other organization**, the proxy form shall bear **the** seal **of such legal person or organization,** or be signed by its **legal representative (or person in charge, executive partner or his/her representative),** or an authorised person duly appointed **by its legal representative (or person in charge, executive partner or his/her representative**).
Article 31 Register of attendees shall be prepared by the Company, and be signed by the attending shareholders or their proxies. The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares in their possession.	Article 26 Register of attendees shall be prepared by the Company, and be signed by the attending shareholders or their proxies. The convener and the legal advisers retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders together with the numbers of voting shares in their possession.

Existing Articles	Amended Articles
Article 33 ..... If the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more suitable persons to act as its representative at any **shareholders'** general meeting **or any class meetings of shareholders**; however, if more than one person are authorized, the proxy form shall clearly indicate the number and types of shares each person is authorized in relation to and the proxy form shall be signed by the respective proxies appointed by the Authorized Clearing House. The persons thus authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present share certificate, certified statement of proxy and further evidence of due authorization), as if they were the individual shareholders of the Company.	Article 28 ..... If the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more suitable persons to act as its representative at any general meeting; however, if more than one person are authorized, the proxy form shall clearly indicate the number and types of shares each person is authorized in relation to and the proxy form shall be signed by the respective proxies appointed by the Authorized Clearing House. The persons thus authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present share certificate, certified statement of proxy and further evidence of due authorization), as if they were the individual shareholders of the Company. .....
Article 34 Shareholders attending the **shareholders'** general meeting shall be registered. Shareholders shall provide the following documents for register of attendees: An individual shareholder who attends a meeting in person shall present his/her own identity card or other valid document or proof evidencing his/her identity, stock account card; if he/she appoints a proxy to attend the meeting on his/her behalf, such proxy shall present his/her own valid proof of identity and the power of attorney.	Article 29 Shareholders attending the general meeting shall be registered. Shareholders shall provide the following documents for register of attendees: An individual shareholder who attends a meeting in person shall present his/her own identity card or other valid document or proof evidencing his/her identity, stock account card; if he/she appoints a proxy to attend the meeting on his/her behalf, such proxy shall present his/her own valid proof of identity and the power of attorney.

Existing Articles	Amended Articles
Legal persons or other organization shareholders shall be represented at a meeting by their legal representative (or person in charge, executive partner or his/her representative) or a proxy appointed by their legal representative (or person in charge, executive partner or his/her representative). Where the legal representative (or person in charge, executive partner or his/her representative) attends the meeting, he/she shall present his/her own identity card and valid proof of his/her legal representative (or person in charge, executive partner or his/her representative) status; where a proxy has been appointed to attend the meeting, such proxy shall present his/her own identity card and the power of attorney issued by the legal representative (or person in charge, executive partner or his/her representative) of the legal person shareholder.	Legal persons or other organization shareholders shall be represented at a meeting by their legal representative (or person in charge, executive partner or his/her representative) or a proxy appointed by their legal representative (or person in charge, executive partner or his/her representative). Where the legal representative (or person in charge, executive partner or his/her representative) attends the meeting, he/she shall present his/her own identity card and valid proof of his/her legal representative (or person in charge, executive partner or his/her representative) status; where a proxy has been appointed to attend the meeting, such proxy shall present his/her own identity card and the power of attorney issued by the legal representative (or person in charge, executive partner or his/her representative) of the legal person shareholder.
The power of attorney issued by a shareholder to entrust proxy to attend **shareholders'** general meeting shall contain the following contents:	The power of attorney issued by a shareholder to entrust proxy to attend general meeting shall contain the following contents:
(1) Name of the proxy.	(1) **Name of the entrusting party, and the class and number of shares of the Company held.**
(2) **Whether the proxy has the right to vote.**	(2) Name of the proxy.
(3) **Separate** instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the **shareholders'** general meeting.	(3) **Specific instructions from shareholder, including** instructions as to whether to vote for, vote against, or abstain from voting on, each item included on the agenda of the general meeting.
(4) The date of issuance and term of validity of the instrument of appointment.	(4) The date of issuance and term of validity of the instrument of appointment.
(5) The signature (or seal) of the entrusting party.	(5) The signature (or seal) of the entrusting party. **Where the entrusting party is a legal person shareholder, the power of attorney shall bear its seal.**

Existing Articles	Amended Articles
Article 35 **If a shareholder or proxy requests for making speech at the shareholders' general meeting, he/she shall register with the Company before the convening of shareholders' general meeting. The maximum number of person registered for making speech shall be 10 persons in general. I f more than 10 persons registered, the top 10 shareholders in terms of shareholding shall be entitled to make speech.**	(Deleted)
Article 36 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the **shareholders'** general meeting. For any disturbance to the meeting and acts infringing on the legitimate rights and interests of the shareholders, they shall take measures to restrain such disturbance and infringing acts, as well as timely report to the relevant authorities for investigation and punishment. **Where a shareholders' general meeting cannot be convened normally due to the occurrence of unexpected event during the meeting, the Company shall immediately report to the Shenzhen Stock Exchange, explain reasons thereof, and disclose relevant circumstances and the special legal opinion issued by the attorney.**	Article 30 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the general meeting. For any disturbance to the meeting and acts infringing on the legitimate rights and interests of the shareholders, they shall take measures to restrain such disturbance and infringing acts, as well as timely report to the relevant authorities for investigation and punishment.

Existing Articles	Amended Articles
Article 37 The **shareholders'** general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors cannot or fails to perform his/her duties, the **shareholders'** general meeting shall be presided over by a director co-elected by **more than half** of the directors. For **shareholders'** general meeting convened by the **supervisory committee,** it shall be presided over by the **chairman** of the **supervisory committee**. If the **chairman** of the **supervisory committee** cannot or fails to perform his/her duties, the **shareholders'** general meeting shall be presided over by a **supervisor** co-elected by **more than half** of **the supervisors**. Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting. When the **shareholders'** general meeting is held and the chairman of the meeting violates the Rules and as a result thereof, the **shareholders'** general meeting is unable to continue, upon approval of more than half of the shareholders having the voting rights who are present at the meeting, a person may be elected at the **shareholders'** general meeting to chair the meeting so that the meeting may continue.	Article 31 The general meeting shall be presided over by the chairman of the board of directors. If the chairman of the board of directors cannot or fails to perform his/her duties, the general meeting shall be presided over **and chaired** by a director co-elected by **majority** of the directors. For general meeting convened by the **Audit and Risk Management Committee**, it shall be presided over by the **convener** of the **Audit and Risk Management Committee**. If the **convener** of the **Audit and Risk Management Committee** cannot or fails to perform his/her duties, the general meeting shall be presided over by a **member of the Audit and Risk Management Committee** co-elected by **majority** of **members of the Audit and Risk Management Committee**. Shareholder(s) may convene the meeting themselves and a representative nominated by the convener(s) shall preside over the meeting. When the general meeting is held and the chairman of the meeting violates the Rules and as a result thereof, the general meeting is unable to continue, upon approval of more than half of the shareholders having the voting rights who are present at the meeting, a person may be elected at the general meeting to chair the meeting so that the meeting may continue.
Article 39 ..... (2) where a proposal is put forward by the **supervisory committee** or shareholders who individually or jointly hold more than **3** % of the Company' s issued voting shares, the proposer or its legal representative or legal and valid proxy shall explain the proposal.	Article 33 ..... (2) where a proposal is put forward by the **Audit and Risk Management Committee** or shareholders who individually or jointly hold more than **1**% of the Company's issued voting shares, the proposer or its legal representative or legal and valid proxy shall explain the proposal.

Existing Articles	Amended Articles
(Added)	**Article 35 At the annual general meeting, each of the independent directors shall submit his/her work report.**
Article 44 When reviewing a proposal at the **shareholders'** general meeting, no amendment shall be made thereto. **Otherwise, the relevant** change shall be deemed as a new proposal which shall not be voted at that **shareholders'** general meeting.	Article 39 When reviewing a proposal at the general meeting, no amendment shall be made thereto. **If there is any change, such** change shall be deemed as a new proposal which shall not be voted at that general meeting.
Article 45 **All** the proposals as set out in the agenda of the meeting shall be voted at the **shareholders'** general meeting item by item. Except where a **shareholders'** general meeting is suspended or no resolution can be adopted due to force majeure or other special circumstances, no proposal shall be set aside or rejected for voting at the **shareholders'** general meeting. In the case of different proposals for the same matter **at the shareholders' general meeting**, voting shall be carried out in accordance with the sequence of the proposals, and resolution shall be made on relevant matter. In the case of different proposals for the same matter, shareholders or their proxies cannot vote in favors of different proposals for the same matter concurrently at the **shareholders'** general meeting.	Article 40 **Except the accumulative voting mechanism, all** the proposals as set out in the agenda of the meeting shall be voted at the general meeting item by item. In the case of different proposals for the same matter, voting shall be carried out in accordance with the sequence of the proposals, and resolution shall be made on relevant matter. Except where a general meeting is suspended or no resolution can be adopted due to force majeure or other special circumstances, no proposal shall be set aside or rejected for voting at the general meeting. In the case of different proposals for the same matter, shareholders or their proxies cannot vote in favors of different proposals for the same matter concurrently at the general meeting.
Article 46 The chairman of the meeting is obligated to propose to the **shareholders'** general meeting for voting on proposals with open ballot. Each shareholder or proxy may exercise such voting rights as attached to the voting shares which he/she represents. Each share shall have one vote.	Article 41 **Voting at the general meeting shall be carried out with open ballot.** The chairman of the meeting is obligated to propose to the general meeting for voting on proposals with open ballot. Each shareholder or proxy may exercise such voting rights as attached to the voting shares which he/she represents. Each share shall have one vote.
Article 47 Where the proposals on election of directors **and supervisors** are being considered at a **shareholders'** general meeting, voting on each director candidate **and supervisor candidate** shall be carried out item by item.	Article 42 Where the proposals on election of directors are being considered at a general meeting, voting on each director candidate shall be carried out item by item.

Existing Articles	Amended Articles
Article 48 Resolutions of **shareholders'** general meetings shall be divided into ordinary resolutions and special resolutions. (1) Ordinary resolutions 1. An ordinary resolution shall be passed by more than half of all votes held by the shareholders (including their proxies) present at the meeting. 2. The following matters shall be resolved by an ordinary resolution at a **shareholders'** general meeting: (1) work reports of the board of directors **and the supervisory committee**; (2) profit distribution plans and loss recovery plans formulated by the board of directors; (3) appointment, removal of members of the board of directors **and supervisors** assumed by non-representatives of employees, their remuneration and manner of payment;	Article 43 Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions. (1) Ordinary resolutions 1. An ordinary resolution shall be passed by more than half of all votes held by the shareholders (including their proxies) present at the meeting. 2. The following matters shall be resolved by an ordinary resolution at a general meeting: (1) work reports of the board of directors; (2) profit distribution plans and loss recovery plans formulated by the board of directors; (3) appointment, removal of members of the board of directors assumed by non-representatives of employees, their remuneration and manner of payment; .....

Existing Articles	Amended Articles
(2) Special resolutions 1. A special resolution shall be passed by more than two-thirds of all votes held by the shareholders (including their proxies) present at the meeting. 2. The following matters shall be resolved by a special resolution at a **shareholders'** general meeting: ..... (5) the Company's purchase or sale of major assets within **one** year with the transaction amount **or amount of guarantee** exceeding 30% of the audited total assets for the latest period of the Company; (6) the total amount of the guarantee for **twelve** consecutive months exceeding 30% of the audited total assets for the latest period of the Company;	(2) Special resolutions 1. A special resolution shall be passed by more than two-thirds of all votes held by the shareholders (including their proxies) present at the meeting. 2. The following matters shall be resolved by a special resolution at a general meeting: ..... (5) the Company's purchase or sale of major assets within **1** year with the transaction amount exceeding 30% of the audited total assets for the latest period of the Company; (6) the total amount of the guarantee for **12** consecutive months exceeding 30% of the audited total assets for the latest period of the Company; .....

Existing Articles	Amended Articles
Article 49 Affected class shareholders, whether or not otherwise having the right to vote at shareholders' general meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 15 hereof, but interested class shareholder(s) shall not be entitled to vote at such class meetings. **The "interested shareholder(s)", as such term is used in the preceding paragraph, means:** **(1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of an on-market repurchase at the Shenzhen Stock Exchange pursuant to the Articles of Association, an interested shareholder is a "controlling shareholder" within the meaning of the Articles of Association;** **(2) in the case of a repurchase of shares by an off-market agreement at the Shenzhen Stock Exchange pursuant to the Articles of Association, an interested shareholder is a holder of the shares to which the proposed agreement relates;** **(3) in the case of a restructuring of the Company, an interested shareholder is a shareholder who assumes a relatively lower proportion of obligations than the obligations imposed on shareholders of the same class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.**	(Deleted)

Existing Articles	Amended Articles
Article 50 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to the preceding Article, are entitled to vote. **The special procedures for approval by a class of shareholders shall not apply in the following circumstances:** **(1) where the Company issues or plans to issue, upon the approval by special resolution of its shareholders in a shareholders' general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its existing issued Domestic-Listed Domestic Shares and Overseas-Listed Foreign Shares;** **(2) where the Company's plan to issue Domestic-Listed Domestic Shares and Overseas-Listed Foreign Shares at the time of its establishment is carried out within 15 months from the date of approval of the securities regulatory authorities of the State Council;** **(3) where unlisted shares held by shareholders of the Company become listed for trading overseas with the approval of the securities regulatory authorities of the State Council.**	(Deleted)

Existing Articles	Amended Articles
Article 51 For connected transactions to be reviewed at a **shareholders'** general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of voting shares which he/she represents, shall not be included in the total number of valid votes; the announcements of resolutions passed at the **shareholders'** general meeting shall fully disclose the voting of non- connected shareholders. Where any shareholder is required to abstain from voting on a matter under the **listing** rules of the place where the Company is listed, any votes cast by such shareholder or his/her proxy) shall not be counted.	Article 44 For connected transactions to be reviewed at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of voting shares which he/she represents, shall not be included in the total number of valid votes; the announcements of resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders. **When a general meeting reviews on significant matters which have an impact on the interests of small and medium investors, the voting of medium and small investors shall be counted separately. The result of separate vote counting shall be disclosed publicly in a timely manner.** **No voting rights shall attach to the Company's shares held by itself, and such shares shall be excluded for the purpose of calculating the total number of voting shares held by the shareholders present at the general meeting.** **Shareholders who purchase the shares with voting rights of the Company in violation of Article 63(1) and (2) of the Securities Law shall not exercise the voting rights of the shares that exceed the prescribed proportion within 36 months after purchasing such shares, and such shares shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.**

Existing Articles	Amended Articles
	The board of directors, the independent directors of the Company, shareholders holding more than 1% of voting shares or investor protection institutions established in accordance with the laws, administrative regulations or regulatory provisions in the places where the Company is listed shall have the right to solicit votes from shareholders. While soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any minimum shareholding percentage limitation on the solicitation of voting rights, unless otherwise as stipulated under laws and regulations. Where any shareholder is required to abstain from voting on a matter under **applicable laws, regulations and** the **securities regulatory** rules of the place where the Company is listed, any votes cast by such shareholder or his/her proxy) shall not be counted. **Where any shareholder is restricted to vote in favour of or against a matter under applicable laws, regulations and the securities regulatory rules of the places where the Company is listed, in case of any violation of relevant rules or restrictions, relevant votes casted shall not be counted.**

Existing Articles	Amended Articles
Article 52	Article 45 .....
Shareholders (or their proxies) shall duly fill in the ballot as required and **put the ballot in the ballot box**. For ballots that are left blank, incorrectly filled out, illegible or not cast, the shareholder shall be deemed to have waived his/her voting rights, and the voting results of the shares held by him/her shall be counted as "abstain".	Shareholders (or their proxies) shall duly fill in the ballot as required and **cast vote**. For ballots that are left blank, incorrectly filled out, illegible or not cast, the shareholder **(or his/her proxy)** shall be deemed to have waived his/her voting rights, and the voting results of the shares held by him/her shall be counted as "abstain".
.....	.....
Article 53 Prior to a resolution is voted on at a **shareholders'** general meeting, **two (2)** representatives of the shareholders shall be elected as counting agent and scrutinizers. In the event that any shareholder is a connected party in the matter to be reviewed, such shareholder or his/her proxy shall not be appointed as counting agent or scrutinizing. **When a shareholders' general meeting reviews on significant matters which have an impact on the interests of small and medium investors, the voting of medium and small investors shall be counted separately. The result of separate vote counting shall be disclosed publicly in a timely manner.**	Article 46 Prior to a resolution is voted on at a general meeting, **2** representatives of the shareholders shall be elected as counting agent and scrutinizers. In the event that any shareholder is a connected party in the matter to be reviewed, such shareholder or his/her proxy shall not be appointed as counting agent or scrutinizing. When the shareholders are voting on the proposals, lawyers **and** shareholders' representatives shall be jointly responsible for counting of votes and scrutinizers duties, and the voting result will be announced forthwith. The voting results for the resolutions shall be recorded in the minutes of meeting.

Existing Articles	Amended Articles
The board of directors, the independent directors of the Company and shareholders who fulfilled the conditions under relevant rules shall have the right to solicit votes from shareholders. While soliciting votes of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom voting rights are solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. When the shareholders are voting on the proposals, lawyers**,** shareholders' representatives **and supervisory representatives** shall be jointly responsible for counting of votes and scrutinizers duties, and the voting result will be announced forthwith. The voting results for the resolutions shall be recorded in the minutes of meeting. **In the case of an equality of votes, the chairman of the meeting shall have a casting vote.** **The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.** **If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he/she may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.**	

Existing Articles	Amended Articles
Article 54 Minutes of meetings shall be kept for **shareholders'** general meetings**, which shall be signed by the chairman of the meetings, attending directors and supervisors, the secretary to the board of directors, the convener of the meeting or his/her proxy and the chairman of the meetings**. The secretary to the board of directors shall be responsible for such minutes, which include the followings: (1) Time, venue, agenda of meeting and the name of the convener. (2) Names of the chairman of the meeting, directors, **supervisors** and senior management personnel present at the meeting. ..... The convener shall ensure that the contents of the minutes are true, accurate and complete. Minutes of meetings shall be signed by the attending directors **and supervisors**, the secretary to the board of directors, the convener of the meeting or his/her proxy and the chairman of the meetings. The minutes of meetings shall be kept for at least 10 years together with the shareholders' attendance lists and proxy forms, the valid information relating to online voting or voting by other means.	Article 47 Minutes of meetings shall be kept for general meetings. The secretary to the board of directors shall be responsible for such minutes, which include the followings: (1) Time, venue, agenda of meeting and the name of the convener. (2) Names of the chairman of the meeting, directors and senior management personnel present at the meeting. ..... The convener shall ensure that the contents of the minutes are true, accurate and complete. Minutes of meetings shall be signed by the **chairman of the meetings,** attending directors, the secretary to the board of directors, the convener of the meeting or his/her proxy and the chairman of the meetings. The minutes of meetings shall be kept for at least 10 years **at the Company's place of residence** together with the shareholders' attendance lists and proxy forms, the valid information relating to online voting or voting by other means **for the Company's records**.

Existing Articles	Amended Articles
Article 56 The convener shall ensure that the **shareholders'** general meeting is being conducted continuingly until final resolution is passed. In the event of special circumstances such as force majeure resulting in the termination of meeting or the failure of resulting in resolutions, necessary measures shall be adopted to resume the **shareholders'** general meeting as soon as practicable; alternatively, the meeting may be terminated in such circumstances with an announcement timely made. At the same time, the convener shall deliver a report to the branch office of the **securities regulatory authority of the State Council** at the place where the Company resides and the Shenzhen Stock Exchange.	Article 49 The convener shall ensure that the general meeting is being conducted continuingly until final resolution is passed. In the event of special circumstances such as force majeure resulting in the termination of meeting or the failure of resulting in resolutions, necessary measures shall be adopted to resume the general meeting as soon as practicable; alternatively, the meeting may be terminated in such circumstances with an announcement timely made. At the same time, the convener shall deliver a report to the branch office of the **CSRC** at the place where the Company resides and the Shenzhen Stock Exchange**, explain reasons thereof, and disclose relevant circumstances and the special legal opinion issued by the attorney.**

Comparison of the amendments to the Procedural Rules of the Board of Directors

Existing Articles	Amended Articles
Article 1 The Rules are drawn up in accordance with the Company Law of the People' s Republic of China, the Securities Law of the People's Republic of China, **the Mandatory Provisions for these Articles of Association of the Companies to be Listed Overseas,** the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines for the Articles of Association of Listed Companies, the Listing Rules of the Shenzhen Stock Exchange and **the Guidelines for the Standard Operation of Companies Listed on the Shenzhen Stock Exchange** and other regulations on supervision of domestic and overseas listed companies, and the Articles of Association of CGN Power Co., Ltd. (the "Articles of Association") to ensure that the board of directors of CGN Power Co., Ltd. (the "Company") fulfils the duties and responsibilities conferred by all shareholders of the Company, conducts discussions efficiently, makes scientific, immediate and prudent decisions and standardizes the operation of the board of directors of the Company.	Article 1 The Rules are drawn up in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Guidelines for the Articles of Association of Listed Companies, the Listing Rules of the Shenzhen Stock Exchange and **the Self- regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board** and other regulations on supervision of domestic and overseas listed companies, and the Articles of Association of CGN Power Co., Ltd. (the "Articles of Association") to ensure that the board of directors of CGN Power Co., Ltd. (the "Company") fulfils the duties and responsibilities conferred by all shareholders of the Company, conducts discussions efficiently, makes scientific, immediate and prudent decisions and standardizes the operation of the board of directors of the Company.
Article 2 The board of directors is accountable to the **shareholders'** general meeting, and shall exercise the following functions and powers: (1) to be responsible for the convening of the **shareholders'** general meetings and to report on its work to the shareholders in **shareholders'** general meetings; (2) to implement the resolutions passed by the shareholders in **shareholders'** general meetings;	Article 2 The board of directors is accountable to the general meeting, and shall exercise the following functions and powers: (1) to be responsible for the convening of the general meetings and to report on its work to the shareholders in general meetings; (2) to implement the resolutions passed by the shareholders in general meetings;

Existing Articles	Amended Articles
(3) the board of directors shall seek advice from the party committee before making decisions on material issues of the Company. When the board of directors appoints management personnel of the Company, the party committee shall consider and provide comments on the candidates for management positions nominated by the board of directors or the president, or recommend candidates to the board of directors or the president;	(3) the board of directors shall seek advice from the party committee before making decisions on material issues of the Company. When the board of directors appoints **senior** management personnel of the Company, the party committee shall consider and provide comments on the candidates for **senior** management positions nominated by the board of directors or the president, or recommend candidates to the board of directors or the president;
.....	.....
(10) to decide, within the authority granted to them in **shareholders'** general meeting, on matters such as external investment, acquisition or sale of assets, assets pledges, financial management arrangements, external guarantees, connected transaction;	(10) to decide, within the authority granted to them in general meeting, on matters such as external investment, acquisition or sale of assets, assets pledges, financial management arrangements, external guarantees, connected transaction, **external donations**;
.....	.....
(17) to propose to the **shareholders'** general meeting for the engagement or change of accounting firm for the audit work of the Company;	(17) to propose to the general meeting for the engagement or change of accounting firm for the audit work of the Company;
(18) to listen to the work report and to inspect the work of the president of the Company;	(18) to listen to the work report and to inspect the work of the president of the Company;
(19) to exercise any other power as stipulated by laws, administrative rules, regulations of authorities or the Articles of Association and conferred by the shareholders in a **shareholders'** general meeting.	(19) to exercise any other power as stipulated by laws, administrative rules, regulations of authorities or the Articles of Association and conferred by the shareholders in a general meeting.

Existing Articles	Amended Articles
Article 3 The board of directors shall set up strict procedures to inspect and decide on the authority for foreign investment, purchase or sale of assets, pledge of assets, provision of external guarantees, entrusted assets management **and** connected transactions. For major investment projects, relevant experts and professional officers shall be organized to conduct assessment for approval by the general meeting. The board of directors have the right to make approval on the following transactions (excluding the receipt of cash assets and provision of guarantee without compensation by related parties): (1) the aggregated assets value involved in a transaction with an amount that is more than 10% of the Company's latest audited total asset value, but **the aggregated assets value involved in a transaction with amount that is more than 50% of the Company's latest audited total assets value** shall also be submitted to the **shareholders'** general meeting for approval (the book value or appraised value, whichever is higher); (2) the operating income of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 10% or more of the revenue in the audited principal business of the Company in the latest accounting year, and the absolute amount exceeds RMB10 million; but the operating income of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 50% or more of the revenue in the audited principal business of the Company in the latest accounting year, and the absolute amount exceeds RMB50 million shall also be submitted to the **shareholders'** general meeting for approval;	Article 3 The board of directors shall set up strict procedures to inspect and decide on the authority for foreign investment, purchase or sale of assets, pledge of assets, provision of external guarantees, entrusted assets management**,** connected transactions **and external donations**. For major investment projects, relevant experts and professional officers shall be organized to conduct assessment for approval by the general meeting. The board of directors have the right to make approval on the following transactions (excluding the receipt of cash assets and provision of guarantee without compensation by related parties): (1) the aggregated assets value involved in a transaction with an amount that is more than 10% of the Company's latest audited total asset value, but **the aggregated assets value involved in acquisition or disposal of major assets exceeds 30% of the latest audited total assets of the Company, or** the aggregated assets value involved in **other** transaction with amount that is more than 50% of the Company's latest audited total assets value shall also be submitted to the general meeting for approval (the book value or appraised value, whichever is higher); (2) the operating income of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 10% or more of the revenue in the audited principal business of the Company in the latest accounting year, and the absolute amount exceeds RMB10 million; but the operating income of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 50% or more of the revenue in the audited principal business of the Company in the latest accounting year, and the absolute amount exceeds RMB50 million shall also be submitted to the general meeting for approval;

Existing Articles	Amended Articles
(3) the net profit of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 10% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million; but the net profit of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 50% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million shall also be submitted to the **shareholders'** general meeting for approval;	(3) the net profit of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 10% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million; but the net profit of the subject of the transaction (for example, equity interests) in the latest accounting year accounts for 50% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million shall also be submitted to the general meeting for approval;
(4) the consideration of the transaction (including the assumption of liability to debts and expenses) accounts for 10% or more of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million; but the consideration of the transaction (including the assumption of liability to debts and expenses) accounts for 50% or more of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million, shall also be submitted to the **shareholders'** general meeting for approval;	(4) the consideration of the transaction (including the assumption of liability to debts and expenses) accounts for 10% or more of the latest audited net assets of the Company, and the absolute amount exceeds RMB10 million; but the consideration of the transaction (including the assumption of liability to debts and expenses) accounts for 50% or more of the latest audited net assets of the Company, and the absolute amount exceeds RMB50 million, shall also be submitted to the general meeting for approval;
(5) the profit generated by the transaction accounts for 10% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million; but the profit generated by the transaction accounts for 50% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million, shall also be submitted to the **shareholders'** general meeting for approval;	(5) the profit generated by the transaction accounts for 10% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB1 million; but the profit generated by the transaction accounts for 50% or more of the audited net profit of the Company in the latest accounting year, and the absolute amount exceeds RMB5 million, shall also be submitted to the general meeting for approval;

Existing Articles	Amended Articles
(6) connected transaction between the Company and connected natural person (excluding the receipt of cash assets and provision of guarantee by the Company) with an amount of RMB0.3 million or more and connected transaction between the Company and connected legal person with an amount of RMB3 million or more and representing 0.5% or more of the absolute amount of the latest audited net assets of the Company, but connected transaction between the Company and connected legal person with an amount of RMB30 million or more and representing 5% or more of the absolute amount of the latest audited net assets of the Company, shall also be submitted to the **shareholders'** general meeting for approval. The actual amount shall be taken as the standard of calculation of the total amount of above utilized capital which shall be calculated on an accumulative basis in 12 consecutive months by transaction categories. Where the aggregate amount reaches the above standards, the investment shall also be submitted to the **shareholders'** general meeting for consideration. If the data in the above index calculation is negative, the absolute value shall prevail. Should any of the aforesaid figures be negative, its absolute value shall be adopted for the purpose of calculation.	(6) connected transaction between the Company and connected natural person (excluding the receipt of cash assets and provision of guarantee by the Company) with an amount of RMB0.3 million or more and connected transaction between the Company and connected legal person with an amount of RMB3 million or more and representing 0.5% or more of the absolute amount of the latest audited net assets of the Company, but connected transaction between the Company and connected legal person with an amount of RMB30 million or more and representing 5% or more of the absolute amount of the latest audited net assets of the Company, shall also be submitted to the general meeting for approval. The actual amount shall be taken as the standard of calculation of the total amount of above utilized capital which shall be calculated on an accumulative basis in 12 consecutive months by transaction categories. Where the aggregate amount reaches the above standards, the investment shall also be submitted to the general meeting for consideration. If the data in the above index calculation is negative, the absolute value shall prevail. Should any of the aforesaid figures be negative, its absolute value shall be adopted for the purpose of calculation.

Existing Articles	Amended Articles
Transactions in this Article refer to: purchase or sale of assets; foreign investment (including entrusted financial management, **entrusted loans,** investment in subsidiaries, etc.); provision of financial assistance; provision of guarantees; leasing or leasing out of assets; signing of management agreement (including entrusted operation, trusted operation); giving or receiving assets as a gift, restructuring of claims or debts, transfer of research and development projects**,** signing of license agreement. The assets purchased and sold above exclude the purchase of raw materials, fuel and power, as well as sales of products, commodities and other assets related to daily operation, but the purchase, sale of such assets involved in the asset replacement are still included. A director, the president or any other senior management personnel shall be liable for compensation if he/she causes losses to the Company by violating the external guarantee approval authority and review procedure requirements set forth in laws, administrative regulations or the Articles of Association, and the Company may take legal action against him or her according to laws.	Transactions in this Article refer to: purchase or sale of assets; foreign investment (including entrusted financial management, investment in subsidiaries, etc.); provision of financial assistance **(including entrusted loans, etc.)**; provision of guarantees **(including provision of guarantees to controlling subsidiaries, etc.)**; leasing or leasing out of assets; signing of management agreement (including entrusted operation, trusted operation); giving or receiving assets as a gift, restructuring of claims or debts, transfer **or acquisition** of research and development projects**;** signing of license agreement**; waive of rights (including pre-emptive right, right of first refusal, etc.)**. The assets purchased and sold above exclude the purchase of raw materials, fuel and power, **acceptance or provision of services, construction contracting,** as well as sales of products, commodities and other assets related to daily operation, but the purchase, sale of such assets involved in the asset replacement are still included. **Where there is any other requirements on matters mentioned in this Article under regulatory provisions in the places where the Company's shares are listed, such regulatory provisions shall prevail.** A director, the president or any other senior management personnel shall be liable for compensation if he/she causes losses to the Company by violating the external guarantee approval authority and review procedure requirements set forth in laws, administrative regulations or the Articles of Association, and the Company may take legal action against him or her according to laws.
(Added)	Article 4 **The board of directors of the Company shall explain at the general meeting any qualified audit opinion in respect of the financial report of the Company made by the certified public accountant.**

Existing Articles	Amended Articles
Article 6 The board of directors shall consist of **ten** directors, including **four** independent directors, one of **which** shall be the chairman.	Article 7 The board of directors shall consist of **nine** directors, including **three** independent directors **and one employee representative director**, one of **them** shall be the chairman.
Article 7 The board of directors shall establish special committees such as audit and risk management committee, remuneration committee and nomination committee in accordance with laws and regulations and the requirements under **the listing rules of the stock exchange on which** the shares of the Company are listed; and shall, according to the features of the nuclear power industry, establish **special committees in relation to** nuclear safety. The board of directors may establish strategic committee or other special committees if necessary. Special committees are responsible to the board of directors and perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals shall be submitted to the board of directors for review and decision. A special committee conducts research into professional matters and puts forward opinions and suggestions for the decision-making of the **Board of Directors**. The members of the special committee are all directors, of which the majority of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee are independent directors **and act as conveners**. **The conveners of the Audit and Risk Management Committee are accounting professionals.** The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.	Article 8 The board of directors shall establish special committees such as audit and risk management committee, remuneration committee and nomination committee in accordance with laws and regulations and the requirements under **regulatory provisions in the places where** the shares of the Company are listed; and shall, according to the features of the nuclear power industry, establish **the** nuclear safety **committee**. The board of directors may **also** establish strategic committee or other special committees if necessary. Special committees are responsible to the board of directors and perform their duties in accordance with these Articles of Association and the authorization of the board of directors. Proposals shall be submitted to the board of directors for review and decision. A special committee conducts research into professional matters and puts forward opinions and suggestions for the decision-making of the **board of directors**. The members of the special committee are all directors, of which the majority of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee are independent directors**, and the chairman of the committee shall be served by an independent director, who shall also act as the convener of meeting.** The board of directors is responsible for formulating the working procedures of the special committees and regulating their operation.

Existing Articles	Amended Articles
(Added)	Article 9 **According to the Articles of Association, the Company does not have the supervisory committee or supervisor, and the duties of the supervisory committee are performed by the Audit and Risk Management Committee in accordance with provisions under the Company Law.**
Article 8 The Audit and Risk Management Committee shall comprise at least three members. All members of the Committee shall be non-executive directors, **the majority of the members of the Committee shall be independent directors,** and at least one member of **the Committee must be an independent director with appropriate expertise in accounting or financial management**. The Chairman of the Audit and Risk Management Committee shall be **an independent director**. **The primary duties of the Audit and Risk Management Committee are to review and supervise the financial reporting process, internal control and risk management system of the Company and its subsidiaries.**	Article 10 The Audit and Risk Management Committee shall comprise at least three members. All members of the Committee shall be non-executive directors, and at least one member of **independent directors shall be an accounting professional**. The Chairman of the Audit and Risk Management Committee shall be **the accounting professional among independent directors**. **Employee directors under the board of directors may serve as members of the Audit and Risk Management Committee.**

Existing Articles	Amended Articles
(Added)	Article 11 **The Audit and Risk Management Committee is responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating the internal and external auditing work and internal control of the Company. The following matters shall be submitted to the board of directors for deliberation with the approval of majority of all members of the Audit and Risk Management Committee:** **(1) disclosure of financial information in financial statements and periodic reports as well as internal control evaluation reports;** **(2) appointment or dismissal of the accounting firm that undertakes the audit engagements of the Company;** **(3)** appointment or dismissal of the chief **financial officer of the Company or person in charge of the internal audit department;** **(4) changes in accounting policies or accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;** **(5) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and the Articles of Association, and other matters as authorised by the board of directors.**

Existing Articles	Amended Articles
(Added)	**Article 12 The Audit and Risk Management Committee shall hold at least one meeting quarterly. Special meetings may be convened as requested by two or more members or when the convenor considers it necessary. A meeting of the Audit and Risk Management Committee shall be held only when not less than two-thirds of the members are present.** **Resolutions of the Audit and Risk Management Committee shall be adopted by more than a half of vote of the members of the Audit and Risk Management Committee.** **Resolutions of the Audit and Risk Management Committee are voted by way of poll with each member having one vote.** **The Audit and Risk Management Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit and Risk Management Committee attending the meeting shall sign on the meeting minutes.** **The board of directors is responsible for formulating the work rules for the Audit and Risk Management Committee.**

Existing Articles	Amended Articles
Article 10 The **nomination committee** shall comprise at least three members**, the majority of the members of the Committee shall be independent directors. The chairman of the nomination committee must be an independent director. The primary duties of the remuneration committee are to make recommendations to the board of directors on the appointment of the directors and senior management.**	Article 13 The **Nomination Committee** shall comprise at least three members**, and responsible for formulating the standards and procedures for selection of directors and senior management personnel, screening and reviewing the candidates for directors and senior management personnel and their qualifications, as well as making recommendations to the board of directors on the following matters:** **(1) nomination or dismissal of directors;** **(2) appointment or dismissal of senior management personnel;** **(3) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and the Articles of Association, and other matters as authorised by the board of directors.** **For recommendations of the Nomination Committee not being adopted or completely adopted by the board of directors, the opinions of the Nomination Committee and reasons for non-adoption shall be recorded in the resolution of the board of directors, and shall be disclosed accordingly.**

Existing Articles	Amended Articles
Article 9 The **remuneration committee** shall comprise at least three members**, the majority of the members of the Committee shall be independent directors. The chairman of the remuneration committee must be an independent director. The primary duties of the remuneration committee are to make recommendations to the board of directors on the remuneration policies and structure of the remuneration for the directors and senior management and to set up a formal and transparent procedure for determination of such remuneration policies.**	Article 14 The **Remuneration Committee** shall comprise at least three members**, and is responsible for formulating the assessment standards for directors and senior management personnel and conducting assessments, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for directors and senior management personnel, as well as making recommendations to the board of directors on the following matters:** **(1) the remuneration of directors and senior management personnel;** **(2) the formulation or amendment of equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;** **(3) the arrangement of stock ownership plans for directors and senior management personnel in the event of a proposed spin-off of a subsidiary;** **(4) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and the Articles of Association, and other matters as authorised by the board of directors.** **For recommendations of the Remuneration Committee not being adopted or completely adopted by the board of directors, the opinions of the Remuneration Committee and reasons for non-adoption shall be recorded in the resolution of the board of directors, and shall be disclosed accordingly.**

Existing Articles	Amended Articles
Article 11 The **nuclear safety committee** shall comprise five members, including non- executive directors, executive directors and independent directors, and chairman of the committee shall be the Chairman. **The primary duties of the nuclear safety committee are to make recommendations to the board of directors on improvement of the nuclear safety level of the Company.**	Article 15 The **Nuclear Safety Committee** shall comprise five members, including non- executive directors, executive directors and independent directors, and chairman of the committee shall be the Chairman. **The Nuclear Safety Committee focuses on the reliability of nuclear power plants and nuclear safety and, primarily through reviewing the relevant reports, communications with internal and external parties and field research, understands and studies the status and trends of nuclear safety of the Company, and provides the Board with appropriate advice and supports accordingly. The Nuclear Safety Committee shall perform the following duties:** **(1) listens to reports of the Company relating to status of nuclear safety;** **(2) listens to independent nuclear safety assessment reports on the Company by third-party organizations;** **(3) implements necessary nuclear safety oversight, offers guidance and conducts research activities in accordance with the needs;** **(4) reports observations and recommendations to the board of directors;** **(5) gives appropriate response to the general meeting on nuclear safety issues of concern;** **(6) other matters prescribed by laws, administrative regulations, regulatory provisions in the places where the Company is listed and the Articles of Association, and other matters as authorised by the board of directors.**

Existing Articles	Amended Articles
Article 14 The secretary to the board of directors shall perform the main duties and responsibilities as follows:	Article 18 The secretary to the board of directors shall perform the main duties and responsibilities as follows:
(1) to assist directors in dealing with routine matters of the board of directors, continuously provide, remind and ensure directors and the president, etc. be well informed of the laws, regulations, policies and requirements of both domestic and overseas regulatory organizations concerning corporate governance, and assist directors and the president in practically complying with domestic and foreign laws, regulations, **these** Articles of Association and other regulations when performing their duties and powers;	(1) to assist directors in dealing with routine matters of the board of directors, continuously provide, remind and ensure directors and the president, etc. be well informed of the laws, regulations, policies and requirements of both domestic and overseas regulatory organizations concerning corporate governance, and assist directors and the president in practically complying with domestic and foreign laws, regulations, **the** Articles of Association and other regulations when performing their duties and powers;
(2) to be responsible for the organization and preparation of the documents of the board of directors and **shareholders'** general meeting, prepare the meeting minutes, attend the **shareholders'** general meetings, board meetings**, supervisors meetings** and relevant meetings of the senior management personnel, be responsible for the minutes and signature of the board meetings, ensure the meeting resolutions complying with the legal procedures, and to keep abreast of the execution of the resolutions of the board of directors;	(2) to be responsible for the organization and preparation of the documents of the board of directors and general meeting, prepare the meeting minutes, attend the general meetings, board meetings and relevant meetings of the senior management personnel, be responsible for the minutes and signature of the board meetings, ensure the meeting resolutions complying with the legal procedures, and to keep abreast of the execution of the resolutions of **the general meeting and** the board of directors;
.....	.....
(9) to perform other functions and powers authorized by the board of directors and stipulated by the **listing rules of the stock exchange** where the shares of the Company are listed.	(9) to perform other functions and powers authorized by the board of directors and stipulated by the **regulatory provisions in the places** where the shares of the Company are listed.

Existing Articles	Amended Articles
Article 18 The chairman of the board of directors shall convene and preside over a special meeting of the board of directors within 10 days since receiving the proposal in the case of the occurrence of any one of the following events:	**Article 22** The chairman of the board of directors shall convene and preside over a special meeting of the board of directors within 10 days since receiving the proposal in the case of the occurrence of any one of the following events:
(1) When the shareholders representing over 10% of voting rights make a proposal;	(1) When the shareholders representing over 10% of voting rights make a proposal;
(2) When the chairman of the board of directors deems necessary;	(2) When the chairman of the board of directors deems necessary;
(3) When over one-third of directors make a proposal;	(3) When over one-third of directors make a proposal;
(4) When the **supervisory committee** makes a proposal;	(4) When the **Audit and Risk Management Committee** makes a proposal;
(5) When the president makes a proposal;	(5) When the president makes a proposal;
(6) When over one half of independent directors make a proposal;	(6) When over one half of independent directors make a proposal;
(7) When the security regulatory authorities require to convene;	(7) When the security regulatory authorities require to convene;
(8) Other situations specified in the Article of Association.	(8) Other situations specified in the Article of Association.

Existing Articles	Amended Articles
Article 19 Meeting of the board of directors may be classified according to the manner of the meeting is conducted into on-site meetings, **video-conferences** and meeting by way of written resolutions. The regular meeting of the board of directors shall not include obtaining approval from the board of director by way of written resolutions. All board meetings shall be held onsite in principle. **The board of directors' meetings may be held by way of video-conferences, provided that the attending directors are able to hear clearly the director who speaks at the meeting and communicate amongst themselves. The meetings convened by this way shall be recorded and videotaped. In the event that the attending directors are unable to sign for the resolutions on site, they shall express their opinions orally during the meeting and shall complete the signing procedures as soon as practicable. The verbal voting by a director shall have the same effect as signing in the voting sheet, provided that there is no discrepancy between the opinions expressed by such director in completing signing procedure and the opinions orally expressed by him during the meeting. Meeting of the board of directors** may also be held on-site and off-site simultaneously. Where a meeting of the board of directors is held off-site, the **number of attending directors shall be counted according to the** directors shown at the video-conference, the directors expressing their views at the video- conference, valid votes such as faxes or emails **received** within the prescribed period**, or written acknowledgements submitted after the meeting by the directors for attending the meeting**.	Article 23 Meeting of the board of directors may be classified according to the manner of the meeting is conducted into on-site meetings, **electronic communication meeting** and meeting by way of written resolutions. The regular meeting of the board of directors shall not include obtaining approval from the board of director by way of written resolutions. All board meetings shall be held onsite in principle**, and** may also be held on-site and off-site simultaneously. Where a meeting of the board of directors is held off-site, the directors shown at the video-conference, the directors expressing their views at the video-conference, valid votes such as faxes or emails **submitted** within the prescribed period **shall be deemed as attending the meeting in person**. Unless otherwise required by the regulatory rules of the place where the shares of the Company listed, in the case where an on-site meeting or **an electronic communication meeting** is impractical, the board of directors' meeting may be held by written resolutions, in which case the proposed matters for discussion and approval shall be sent in written form to all of the directors for their approval. Unless otherwise expressed by the directors, signing on the written resolutions by the directors shall be sufficient evidence that they have agreed to the resolutions.

Existing Articles	Amended Articles
Unless otherwise required by the regulatory rules of the place where the shares of the Company listed, in the case where an on-site meeting or **a video-conference** is impractical, the board of directors' meeting may be held by written resolutions, in which case the proposed matters for discussion and approval shall be sent in written form to all of the directors for their approval. Unless otherwise expressed by the directors, signing on the written resolutions by the directors shall be sufficient evidence that they have agreed to the resolutions.	
Article 20 Proposal of motions The proposal of motions by the board of directors is primarily made under the following circumstances: (1) Matters proposed by the directors. **(2) Matters proposed by the supervisory committee.** (3) Matters proposed by special committees under the board of directors. (**4**) Matters proposed by the president. (**5**) Other circumstances as stipulated under the Articles of Association and the Rules.	Article 24 Proposal of motions The proposal of motions by the board of directors is primarily made under the following circumstances: (1) Matters proposed by the directors. (**2**) Matters proposed by special committees under the board of directors. (**3**) Matters proposed by the president. (**4**) Other circumstances as stipulated under the Articles of Association and the Rules.

Existing Articles	Amended Articles
Article 22 Procedures for proposing extraordinary meetings A proposal for convening a extraordinary meeting of the board of directors as specified in Article **18** shall be in written form and shall specify: ..... The contents of the proposal shall be those within the power of the meeting of the board of directors as specified in the Articles of Association **of the Company**, and the documents relating to the proposal shall be submitted together with the proposal itself. The Company shall transfer the aforesaid proposal and related documents on the day of receipt to the chairman. Where the chairman deems the proposal not well defined, the content lacks specifics or the relevant documents are inadequate, the chairman may require the proposer to amend or supplement the proposal. **The chairman shall convene and preside over a board meeting within 10 days after receipt of the proposal or required by securities regulatory authorities.**	Article 26 Procedures for proposing extraordinary meetings A proposal for convening a extraordinary meeting of the board of directors as specified in Article **22** shall be in written form and shall specify: ..... The contents of the proposal shall be those within the power of the meeting of the board of directors as specified in the Articles of Association, and the documents relating to the proposal shall be submitted together with the proposal itself. The Company shall transfer the aforesaid proposal and related documents on the day of receipt to the chairman. Where the chairman deems the proposal not well defined, the content lacks specifics or the relevant documents are inadequate, the chairman may require the proposer to amend or supplement the proposal.
Article 23 Holding of the meeting The board meetings are called by the chairman of the board of directors by despatching notices of the board meetings. If the chairman of the board of directors is not able or fails to call a meeting, the meeting shall be called by a director jointly elected by **more than one- half** of the directors. The convener shall be responsible for despatching a notice of the board meeting.	Article 27 Holding of the meeting The board meetings are called by the chairman of the board of directors by despatching notices of the board meetings. If the chairman of the board of directors is not able or fails to call a meeting, the meeting shall be called by a director jointly elected by **majority** of the directors. The convener shall be responsible for despatching a notice of the board meeting.

Existing Articles	Amended Articles
Article 24 Notice of the meeting (1) Notice of the board meeting shall be delivered to all directors **and all supervisors** before the meeting is convened. Notice of board meeting shall contain: 1. time and venue of the meeting; 2. duration of the meeting; 3. agenda, causes, matters and **relevant information**; 4. date of issuance of the notice. A copy of the notice of meeting shall be delivered to other persons attending the meeting as non-voting participants.	Article 28 Notice of the meeting (1) Notice of the board meeting shall be delivered to all directors before the meeting is convened. Notice of board meeting shall contain: 1. **date,** time and venue of the meeting; 2. duration of the meeting; 3. **information about** agenda, causes, matters and **proposals**; 4. date of issuance of the notice. A copy of the notice of meeting shall be delivered to other persons attending the meeting as non-voting participants. .....

Existing Articles	Amended Articles
Article 26 Communication before the meeting During the period from the issuance of a notice convening a meeting to the time before the commencement of the meeting, the secretary to the board of directors shall be responsible for the communication and liaison with or for arranging the communication and liaison with all directors in a timely manner to obtain the opinions and advices from the directors in respect of the related resolutions. The opinions and advices collected shall be passed to the proposer in order to better revise his/her resolutions. The secretary to the board of directors should also arrange related information necessary for making decision on relevant resolutions to alternate directors in a timely manner, including the background information about the subject matters of the meeting, prior acknowledgements of the independent directors and other information conducing to the scientific, prompt and prudent decisions of the directors, reply to the questions raised by the directors in time and supplement documents necessary for the meeting as required by the directors before convening the meeting. In the event of insufficiency in the materials of the meeting of the board of directors, **more than half** of the independent directors have the right to require in writing to postpone the convening of the meeting of the board of directors or consideration relevant matters.	Article 30 Communication before the meeting During the period from the issuance of a notice convening a meeting to the time before the commencement of the meeting, the secretary to the board of directors shall be responsible for the communication and liaison with or for arranging the communication and liaison with all directors in a timely manner to obtain the opinions and advices from the directors in respect of the related resolutions. The opinions and advices collected shall be passed to the proposer in order to better revise his/her resolutions. The secretary to the board of directors should also arrange related information necessary for making decision on relevant resolutions to alternate directors in a timely manner, including the background information about the subject matters of the meeting, prior acknowledgements of the independent directors and other information conducing to the scientific, prompt and prudent decisions of the directors, reply to the questions raised by the directors in time and supplement documents necessary for the meeting as required by the directors before convening the meeting. In the event of insufficiency in the materials of the meeting of the board of directors, **majority** of the independent directors have the right to require in writing to postpone the convening of the meeting of the board of directors or consideration relevant matters.
Article 27 Convening of the **Meetings** ..... The board **of directors'** meeting shall be chaired by the chairman of the board of directors**, where** the chairman fails to chair a meeting or is unable to chair a meeting, the meeting shall be chaired by **the** director **recommended** by **more than half** of **all** the directors.	Article 31 Convening of the **meeting** ..... The board meeting shall be chaired by the chairman of the board of directors**. Where** the chairman fails to chair a meeting or is unable to chair a meeting, the meeting shall be chaired by **a** director **elected** by **majority** of the directors.

Existing Articles	Amended Articles
Article 29 Examining the **Motions** ..... The independent directors **shall** express their independent opinions according to the requirements of laws and regulations and the **listing rules of the stock exchange** where the shares of the Company are listed.	Article 33 Examining the **motions** ..... The independent directors **are entitled to** express their independent opinions according to the requirements of laws and regulations and the **regulatory provisions in the places** where the shares of the Company are listed.
Article 30 Voting on the **Motions** ..... (4) to decide, within the authority granted to them in the **shareholders'** general meeting, on matters such as external investments, purchases or sales of assets, assets pledges, financial management arrangements, external guarantees **and** connected transaction of the Company; (5) to evaluate external guarantees of the Company in accordance with laws and regulations and the provisions of **these** Articles of Association; (6) to formulate proposals for any amendments to the Articles of Association, **rules of procedures of the general meeting** and **these** Rules;	Article 34 Voting on the **motions** ..... (4) to decide, within the authority granted to them in the general meeting, on matters such as external investments, purchases or sales of assets, assets pledges, financial management arrangements, external guarantees**,** connected transaction **and external donations** of the Company; (5) to evaluate external guarantees of the Company in accordance with laws and regulations and the provisions of **the** Articles of Association; (6) to formulate proposals for any amendments to the Articles of Association, **the Procedural Rules of General Meeting** and **the** Rules; .....

Existing Articles	Amended Articles
Article 31 Abstain from voting In any of the following circumstances, the directors shall abstain from voting on the relevant proposals: (1) The directors should abstain from voting in the situation stipulated in the **listing rules of the stock exchange** where the shares of the Company are listed; ..... Where any director is required to abstain from voting, the relevant meeting of the board of directors may be held when more than half of the non-connected directors attend the meeting, and the resolutions made shall be passed by more than half of the non-connected directors. The directors required to abstain from voting shall not be included in the quorum of the relevant meeting, unless otherwise permitted under the **listing rules or by the stock exchange** where the shares of the Company are listed. Where the number of the directors who can vote on this matter is less than three, such issue shall be submitted to the **shareholders'** general meeting for voting.	Article 35 Abstain from voting In any of the following circumstances, the directors shall abstain from voting on the relevant proposals: (1) The directors should abstain from voting in the situation stipulated in the **regulatory provisions in the places** where the shares of the Company are listed; ..... Where any director is required to abstain from voting, the relevant meeting of the board of directors may be held when more than half of the non-connected directors attend the meeting, and the resolutions made shall be passed by more than half of the non-connected directors. The directors required to abstain from voting shall not be included in the quorum of the relevant meeting, unless otherwise permitted under the **regulatory provisions in the places** where the shares of the Company are listed. Where the number of the directors who can vote on this matter is less than three, such issue shall be submitted to the general meeting for voting.
Article 36 The board of directors of the Company shall strictly comply with the relevant provisions of information disclosure as set out **by the regulatory authorities and the stock exchanges of the places** where the shares of the Company are listed. Matters or resolutions discussed in the board meeting shall be disclosed fully and accurately in a timely manner.	Article 40 The board of directors of the Company shall strictly comply with the relevant provisions of information disclosure as set out **under the regulatory provisions in the places** where the shares of the Company are listed. Matters or resolutions discussed in the board meeting shall be disclosed fully and accurately in a timely manner.

Existing Articles	Amended Articles
Article 38 If the independent directors present independent opinions to the board of directors on the matters that are matters which need to be disclosed under the requirements **of the regulatory authorities and the stock exchange** where the shares of the Company are listed, the Company shall announce the opinions of the independent directors.	Article 42 If the independent directors present independent opinions to the board of directors on the matters that are matters which need to be disclosed under the requirements **on information disclosure under regulatory provisions in the places** where the shares of the Company are listed, the Company shall announce the opinions of the independent directors.
Article 39 Persons who have knowledge of the confidential contents of the board meetings **shall keep such information in confidence**. Any person who violates this provision shall be held responsible.	Article 43 Persons who have knowledge of the confidential contents of the board meetings **must perform their duties of confidentiality in accordance with laws and regulations, the confidential systems of the Company and relevant requirements under confidential agreements**. Any person who violates this provision shall be held responsible.

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)

NOTICE OF THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 first extraordinary general meeting (the "**EGM**") of CGN Power Co., Ltd.* (the "**Company**") will 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 for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the discloseable and connected transaction in relation to Acquisition of the Equity Interests in four companies including Huizhou Nuclear Power from CGN

2. To consider and approve the Non-exempt Continuing Connected Transactions

SPECIAL RESOLUTIONS

3. To consider and approve the Abolishment of the Supervisory Committee and Amendments to the Articles of Association of CGN Power Co., Ltd.

4. To consider and approve the Amendments to and Rename of the Procedural Rules of General Meeting of CGN Power Co., Ltd.

5. To consider and approve the Amendments to the Procedural Rules of the Board of Directors of CGN Power Co., Ltd.

ORDINARY RESOLUTION

6. To consider and approve the Amendments to and Rename of the Remuneration Proposal for the Directors of the Fourth Session of the Board of Directors and the Supervisors of the Fourth Session of the Supervisory Committee

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

The PRC, September 18, 2025

As at the date of this notice, the Board of the 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*

Notes:

a) All resolutions put to the vote at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Hong Kong Listing Rules**"), and the results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.

b) Closure of the register of members and the eligibility for attending and voting at the EGM

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the Company's register of members will be closed from Tuesday, September 16, 2025 to Thursday, October 16, 2025, both days inclusive, during which period no transfer of H Shares of the Company will be effected. The Shareholders whose names appear on the Company's register of shareholders on Tuesday, September 16, 2025 shall be entitled to attend and vote at the EGM. In order to be eligible for attending and voting at the EGM, all transfer documents of H Shares together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar of the Company, namely, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, September 15, 2025.

c) Reply slip

The Shareholders who intend to attend and vote at the EGM (in person or by a proxy) shall complete the reply slip enclosed in the circular, and return it for registration by hand, by mail or by fax on or before Friday, September 26, 2025 to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of H Shareholders). Completion and return of the reply slip will not preclude you from attending or voting at the EGM.

d) Proxy

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more persons (if the Shareholder holds two or more issued shares of the Company with a nominal value of RMB1.00 each), whether such person is a shareholder of the Company or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the EGM.

The proxy concerned must be appointed with a form of proxy. The form of proxy concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the form of proxy shall be affixed with the seal of the legal person or signed by its director or a representative duly authorized in writing. If the form of proxy of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized, and served at the same time as the form of proxy. The form of proxy of the Shareholders' proxy shall be served to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of H Shareholders) at least 24 hours before the scheduled time for holding of the EGM or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy, you can attend and vote in person at the EGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares in person or by a proxy at the EGM as the only holder entitled to vote. If more than one registered joint holders attend the EGM in person or by a proxy, only the vote of the person whose name appears first in the register of members relating to the joint holders (in person or by a proxy) will be accepted as the only vote of the joint holders.

e) Miscellaneous

(i) The Company's Shareholders or their proxies shall present their identity documents when attending the EGM (or any adjournment thereof). If the legal representative of corporate Shareholders or any other persons officially authorized by the corporate Shareholders are present at the EGM (or any adjournment thereof), such legal representative or other persons shall present their identity documents and the certifying documents for appointment as a legal representative or valid authorization documents (as the case may be).

(ii) The EGM is expected to last for no more than half of a working day. Shareholders and representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

(iii) Address of Computershare Hong Kong Investor Services Limited:

17M Floor,
Hopewell Centre, No. 183 Queen's Road East,
Wan Chai,
Hong Kong
Tel: (852) 2862 8628
Fax: (852) 2865 0990

Address of the Company's headquarters in the PRC:

18/F, South Tower, CGN Building,
No. 2002 Shennan Road, Shenzhen,
Guangdong Province, the PRC
Tel: (86) 755 84430888
Fax: (86) 755 83699089

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)

NOTICE OF THE 2025 SECOND H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN THAT the 2025 second H Shareholders' Class Meeting (the "**H Shareholders' Class Meeting**") of CGN Power Co., Ltd.* (the "**Company**") will be held at 3:00 p.m. on Thursday, October 16, 2025 at South Tower, CGN Building, No. 2002 Shennan Road, Shenzhen, Guangdong Province, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the Amendments to Articles in Relation to Class Meetings under the Articles of Association of CGN Power Co., Ltd.

2. To consider and approve the Amendments to Articles in Relation to Class Meetings under the Procedural Rules of General Meeting of CGN Power Co., Ltd.

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

The PRC, September 18, 2025

As at the date of this notice, the Board of the 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*

Notes:

a) All resolutions put to the vote at the H Shareholders' Class Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (the "**Hong Kong Listing Rules**"), and the results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.

b) Closure of the register of members and the eligibility for attending and voting at the H Shareholders' Class Meeting

In order to determine the list of Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting, the Company's register of members will be closed from Tuesday, September 16, 2025 to Thursday, October 16, 2025, both days inclusive, during which period no transfer of H Shares of the Company will be effected. The Shareholders whose names appear on the Company's register of shareholders on Tuesday, September 16, 2025 shall be entitled to attend and vote at the H Shareholders' Class Meeting. In order to be eligible for attending and voting at the H Shareholders' Class Meeting, all transfer documents of H Shares together with relevant share certificates and other appropriate documents shall be sent for registration to the H Share Registrar of the Company, namely, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Monday, September 15, 2025.

c) Reply slip

The Shareholders who intend to attend and vote at the H Shareholders' Class Meeting (in person or by a proxy) shall complete the reply slip enclosed in the circular, and return it for registration by hand, by mail or by fax on or before Friday, September 26, 2025 to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of H Shareholders). Completion and return of the reply slip will not preclude you from attending or voting at the H Shareholders' Class Meeting.

d) Proxy

Any Shareholder entitled to attend and vote at the H Shareholders' Class Meeting is entitled to appoint one or more persons (if the Shareholder holds two or more issued shares of the Company with a nominal value of RMB1.00 each), whether such person is a shareholder of the Company or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the H Shareholders' Class Meeting.

The proxy concerned must be appointed with a form of proxy. The form of proxy concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the form of proxy shall be affixed with the seal of the legal person or signed by its director or a representative duly authorized in writing. If the form of proxy of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized, and served at the same time as the form of proxy. The form of proxy of the Shareholders' proxy shall be served to the H Share Registrar of the Company at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of H Shareholders) at least 24 hours before the scheduled time for holding of the H Shareholders' Class Meeting or any adjournment thereof (as the case may be).

After the completion and return of the form of proxy, you can attend and vote in person at the H Shareholders' Class Meeting or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any Shares, one of the registered joint holders can vote on such Shares in person or by a proxy at the H Shareholders' Class Meeting as the only holder entitled to vote. If more than one registered joint holders attend the H Shareholders' Class Meeting in person or by a proxy, only the vote of the person whose name appears first in the register of members relating to the joint holders (in person or by a proxy) will be accepted as the only vote of the joint holders.

e) Miscellaneous

(i) The Company's Shareholders or their proxies shall present their identity documents when attending the H Shareholders' Class Meeting (or any adjournment thereof). If the legal representative of corporate Shareholders or any other persons officially authorized by the corporate Shareholders are present at the H Shareholders' Class Meeting (or any adjournment thereof), such legal representative or other persons shall present their identity documents and the certifying documents for appointment as a legal representative or valid authorization documents (as the case may be).

(ii) The H Shareholders' Class Meeting is expected to last for no more than half of a working day. Shareholders and representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.

(iii) Address of Computershare Hong Kong Investor Services Limited:

17M Floor,
Hopewell Centre, No. 183 Queen's Road East,
Wan Chai,
Hong Kong
Tel: (852) 2862 8628
Fax: (852) 2865 0990

Address of the Company's headquarters in the PRC:

18/F, South Tower, CGN Building,
No. 2002 Shennan Road, Shenzhen, Guangdong Province, PRC
Tel: (86) 755 84430888
Fax: (86) 755 83699089