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CGN Power Co., Ltd.*

中國廣核電力股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1816)

DISCLOSEABLE TRANSACTION PROPOSED ESTABLISHMENT OF A JOINT VENTURE COMPANY

The Board announces that, on September 24, 2026, the Board has considered and approved the resolution regarding the entering into of the Equity Cooperation Investment Agreement by the Company (as Party A) with CFHI, Lufeng Investment Holding, Ming Yang Group, Jiuli Group, Jiuli Hi-Tech Metals and Ningde Times Zhaoqing (collectively as Party B). Pursuant to the Equity Cooperation Investment Agreement, Party A and Party B shall jointly contribute to the establishment of a joint venture company, Yueshan Nuclear Power, to carry out the development, construction and operation of the Lufeng Unit 3 and Unit 4 nuclear power project. The initial registered capital of Yueshan Nuclear Power shall be RMB100 million, of which the Company will contribute RMB70 million in cash, holding 70% of the equity interest, and Party B will collectively contribute RMB30 million in cash, holding 30% of the equity interest in total. Upon the establishment of Yueshan Nuclear Power, it will become a non-wholly-owned subsidiary of the Company.

Based on the calculation on the terms such as the capital arrangements, the expected shareholding percentages of each party and the default liabilities under the Equity Cooperation Investment Agreement, the total amount of project construction funds is approximately RMB38 billion. On this basis, one or more of the highest applicable percentage ratios in respect of this transaction is more than 5% but all are less than 25%. Therefore, the Equity Cooperation Investment Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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EQUITY COOPERATION INVESTMENT AGREEMENT

Date

September 24, 2026

Parties

- (i) The Company;
- (ii) CFHI;
- (iii) Lufeng Investment Holding;
- (iv) Ming Yang Group;
- (v) Jiuli Group;
- (vi) Jiuli Hi-Tech Metals; and
- (vii) Ningde Times Zhaoqing.

Registered Capital, Shareholding Structure and Capital Contribution Arrangements

1. The initial registered capital of Yueshan Nuclear Power shall be RMB100 million, and each party shall make capital contributions and hold equity interests in the Target Company as set out below.

Abbreviation	Shareholder Name	Subscribed Capital	Form of Contribution	Shareholding Percentage
		Contribution (RMB'0,000)		
Party A	The Company	7,000	Cash	70%
Party B-1	CFHI	1,000	Cash	10%
Party B-2	Lufeng Investment Holding	500	Cash	5%
Party B-3	Ming Yang Group	500	Cash	5%
Party B-4	Jiuli Group	250	Cash	2.5%
Party B-5	Jiuli Hi-Tech Metals	250	Cash	2.5%
Party B-6	Ningde Times Zhaoqing	500	Cash	5%
Total		10,000	–	100%

2. Payment Method: the registered capital of the Target Company subscribed by each party shall be paid in a lump sum within 30 days following the industrial and commercial registration and establishment of the Target Company.
3. Where the Target Company needs to increase its registered capital and paid-in capital to meet the progress requirements of project construction, each party shall make capital contributions in a timely manner, and all capital contributions shall be made in cash. Each party undertakes to ensure that the paid-in capital of the Target Company shall ultimately be no less than 30% of the total project construction funds (completion cost).

The Lufeng Unit 3 and Unit 4 nuclear power project has not obtained state approval. The initial registered capital amount under the Equity Cooperation Investment Agreement was determined with reference to the general model adopted by the Group for establishing similar joint-venture nuclear power project companies, aiming to meet the preliminary work prior to industrial and commercial registration, including project site selection investigation and state approval application. As the Group will be responsible for the construction and operation of Yueshan Nuclear Power, and is required to consolidate it into its accounts, the Company must obtain control over Yueshan Nuclear Power. Accordingly, following negotiations with members of Party B, the Company will contribute RMB70 million in cash, for a 70% equity interest, while the members of Party B will collectively contribute RMB30 million in cash, for an aggregate 30% equity interest. The capital contribution of each member of Party B was determined after arm's length negotiations among all parties, primarily with reference to their respective willingness to participate in this project and the initial capital requirements of the Target Company. Unless there are subsequent circumstances such as non-pro-rata capital increases or transfers of equity interests by any of the parties, the respective shareholding percentages of parties shall remain unchanged.

Scope of Business

Permitted items: power generation business, power transmission business, power supply (distribution) business. (For items subject to approval in accordance with the law, business activities may only be carried out upon the approval of relevant authorities. The specific business items shall be subject to the relevant approval documents or licenses) General items: Sales of generators and generator sets; sales of mechanical equipment; technical services, technical development, technical consultancy, technical exchange, technical transfer, technical promotion, import and export of goods, import and export of technologies (save for items subject to approval in accordance with the law, business activities may be carried out independently under the business license). The business scope of the Target Company shall be subject to the scope of business as approved by the market regulatory authority.

Equity Transfer

1. Prior to the approval of the Lufeng Unit 3 and Unit 4 nuclear power project, Party B shall not transfer its equity interests in the Target Company without the written consent of Party A, and upon the approval of the Lufeng Unit 3 and Unit 4 nuclear power project, shareholders may transfer all or part of their equity interests in the Target Company to each other.
2. The equity transfer by a shareholder to its affiliates shall not be deemed as a transfer to an external party. When transferring equity interests to its affiliates, the shareholder shall ensure that the transferee accepts the relevant provisions of the agreement, otherwise, such shareholder shall bear joint and several liability for any default by the transferee.

Corporate Governance

1. The board of directors: the Target Company shall establish a board of directors, which shall consist of 6 directors, all of whom shall be nominated by Party A. Resolutions of the board of directors shall be passed by a majority of all directors.
2. Senior management: The Target Company shall have 1 general manager, several deputy general managers and 1 chief accountant (chief financial officer), all of whom shall be nominated by Party A and appointed by the board of directors of the Target Company.

Liability for Default

1. Upon the adoption of a capital increase resolution by the general meeting or the issuance of a written capital increase notice by Party A, each shareholder shall perform its corresponding capital contribution obligations.
2. The capital contribution cap of each shareholder shall be calculated based on the completion costs of the Lufeng Unit 3 and Unit 4 nuclear power project, the capital ratio of 30%, and the respective shareholding percentages of each shareholder. If the cumulative capital contributions of all shareholders fall short of the agreed capital contribution cap, each shareholder shall make capital contributions in accordance with the agreed requirements. For any overdue and unpaid amount within the grace period, the defaulting party shall pay overdue interest calculated at the one-year loan prime rate (LPR) plus 20 basis points. Where the capital contribution obligation is still not performed upon the expiration of the grace period, the defaulting party shall forfeit the equity interests corresponding to its unpaid capital contributions, and shall pay liquidated damages to the Target Company equal to 10% of the payable but actually unpaid capital contributions. Specifically, Party B-1 (with cumulative total capital contributions not exceeding RMB1.14 billion), Party B-2 (with cumulative total capital contributions not exceeding RMB570 million), Party B-3 (with cumulative total capital contributions not exceeding RMB570 million), Party B-4 (with cumulative total capital contributions not exceeding RMB285 million), Party B-5 (with cumulative total capital contributions not exceeding RMB285 million), and Party B-6 (with cumulative total capital contributions not exceeding RMB570 million) shall be subject to forfeiture and bear the aforesaid default liabilities. In the event of forfeiture occurring under circumstances where the capital contributions exceed the aforesaid investment caps, the party shall not be subject to such default liabilities.
3. Where the cumulative capital contributions of all shareholders have reached the agreed capital contribution caps, each shareholder shall have the option, at its sole discretion, to make additional capital contributions. Shareholders choosing not to continue making capital contributions shall not bear any default liabilities in respect of such capital contribution, and their equity interests shall be diluted in accordance with the relevant regulations governing the supervision of state-owned assets.

Dispute Resolution

Any dispute arising from or in connection with the performance of this agreement shall be resolved through friendly consultation among all parties. If such dispute cannot be settled through consultation, any party may submit the dispute to the Shenzhen Court of International Arbitration for arbitration in Shenzhen in accordance with its arbitration rules in effect at the time of such arbitration. The arbitration award shall be final and binding upon all parties involved.

Pre-condition and Effectiveness of the Agreement

This agreement shall take effect upon being signed by the legal representatives or authorized representatives of all parties and affixed with their seals.

The pre-condition of the agreement has been satisfied as at the date of this announcement.

INFORMATION ON THE PARTIES

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.

CFHI

CFHI is a limited liability company incorporated in the PRC, primarily engaged in the manufacturing of heavy machinery such as metallurgical equipment, nuclear power equipment, large pressure vessels, and large castings and forgings. It is owned as to 100% by SASAC.

Lufeng Investment Holding

Lufeng Investment Holding is a limited liability company incorporated in the PRC, primarily engaged in industrial investment and services. It is owned as to 100% by the State-owned Assets Supervision and Administration Bureau of Lufeng City (陸豐市國有資產監督管理局).

Ming Yang Group

Ming Yang Group is a limited liability company incorporated in the PRC, primarily engaged in the manufacturing of wind power equipment (as its core business), covering the development, equipment R&D and manufacturing of clean energies such as wind, solar, energy storage, and hydrogen, with its A shares listed on the Shanghai Stock Exchange (601615.SH).

Jiuli Group

Jiuli Group is a limited liability company incorporated in the PRC, primarily engaged in industrial investment. 32.7814% of its shares are held by Huzhou Yimutian Enterprise Management Co., Ltd. (湖州一畝田企業管理有限公司), with the remaining shares held by a number of natural persons and the employee stock ownership plan.

Jiuli Hi-Tech Metals

Jiuli Hi-Tech Metals is a limited liability company incorporated in the PRC, primarily engaged in the R&D, production and sales of industrial stainless steel pipes and special alloy materials, with its A shares listed on the Shenzhen Stock Exchange (002318.SZ). Jiuli Hi-Tech Metals is a subsidiary of Jiuli Group.

Ningde Times Zhaoqing

Ningde Times Zhaoqing is a limited liability company incorporated in the PRC, primarily engaged in the manufacturing and sales of lithium-ion batteries. It is owned as to 100% by Contemporary Amperex Technology Co., Limited.

To the best of the Directors' knowledge, information, and belief, after making all reasonable enquiries, the parties to the Equity Cooperation Investment Agreement and their respective ultimate beneficial owners (if applicable) are Independent Third Parties of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF THE EQUITY COOPERATION INVESTMENT AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER, AS WELL AS THE FINANCIAL EFFECTS AND RISKS

This investment is in line with the overall development strategy of the Company, which is conducive to facilitating the application for state approval of the Lufeng Unit 3 and Unit 4 nuclear power project, and is expected to further increase the Company's installed capacity of nuclear power generating units under construction, thereby enhancing its industry competitiveness.

This investment will be financed by the self-owned funds of the Company. As at the date of this announcement, the completion costs of the Lufeng Unit 3 and Unit 4 nuclear power project have not been finally determined; based on the current progress, the Group estimates that the total investment amount for the project will be approximately RMB38 billion, which is a preliminary estimate based on the information currently available and remains subject to adjustment due to factors such as final project approval or completion costs. The actual amount shall be subject to the finally approved completion costs of the project. The Company's cash contribution to Yueshan Nuclear Power is RMB70 million, representing a manageable investment scale and will not have a material adverse effect on the financial position and operating results of the Company. There is no circumstance that would prejudice the legitimate rights and interests of the Company and all Shareholders, especially the minority Shareholders.

This transaction is expected to have no material impact on the net tangible assets or earnings per share of the Group for the financial year ending December 31, 2026. As the Company has the right to appoint all members of the board of directors of Yueshan Nuclear Power and holds control over the voting rights at its general meeting, Yueshan Nuclear Power will become a non-wholly-owned subsidiary of the Company. Accordingly, the financial results, assets and liabilities of Yueshan Nuclear Power will be consolidated into the accounts of the Group.

The establishment of Yueshan Nuclear Power by the Company is subject to approval by the industrial and commercial administration authorities, which is subject to uncertainties. Furthermore, during its future operations, Yueshan Nuclear Power may be affected by factors such as macroeconomic conditions, industry policies, market competition, technological development, and operational management, entailing the risks of unsuccessful business development or investment returns falling short of expectations. In addition, the subsequent capital contributions by the members of Party B under this agreement are not guaranteed, and the actual performance thereof will depend on their respective approval progress and actual capital arrangements. If any member of Party B fails to perform its capital contribution obligations within the period stipulated in the agreement, the unpaid portion shall be forfeited in accordance with the mechanism set out in the agreement, and the corresponding equity interests shall be diluted or reallocated in accordance with the relevant regulations governing the supervision of state-owned assets. Under such circumstances, the effective shareholding and controlling interest of the Group in Yueshan Nuclear Power may be subject to corresponding changes. The Company will, in accordance with the relevant requirements of the Listing Rules, make a specific determination as to whether the foregoing circumstances would constitute a transaction requiring separate disclosure and comply with the corresponding procedures. In view of the foregoing, the Company and other investors will, on the basis of a full understanding of the aforementioned risk factors, closely monitor changes in national policies and industry developments, build a highly qualified professional team, and fully leverage their respective strengths and resources to support the business development of Yueshan Nuclear Power. The Company will adopt appropriate operational strategies and management measures to proactively prevent and mitigate various risks, striving to achieve favorable investment returns. The Company will strictly comply with the provisions of relevant laws and regulations, and perform its information disclosure obligations in a timely manner. Investors are advised to invest prudently and pay attention to the investment risks involved.

LISTING RULES IMPLICATIONS

Based on the calculation on the terms such as the capital arrangements, the expected shareholding percentages of each party, and the default liabilities under the Equity Cooperation Investment Agreement, the total amount of project construction funds is approximately RMB38 billion. On this basis, one or more of the highest applicable percentage ratios in respect of this transaction is more than 5% but all are less than 25%. Therefore, the Equity Cooperation Investment Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Cooperation Investment Agreement have been determined after arm's length negotiations on normal commercial terms, and the transactions contemplated thereunder are fair and reasonable, which have been entered into in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“A Share(s)”	ordinary shares issued by our Company, which are denominated in RMB with a nominal value of RMB1.00 each and listed on the Shenzhen Stock Exchange
“Board”	the board of Directors of our Company
“CFHI”	China First Heavy Industries Co., Ltd. (中國一重集團有限公司), a state-owned company incorporated under PRC law on June 2, 1960, which is owned as to 100% by SASAC
“Company”, “our Company” or “Party A”	CGN Power Co., Ltd.* (中國廣核電力股份有限公司), a joint stock company with limited liability incorporated under PRC law on March 25, 2014, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (1816.HK) and the A Shares of which are listed on the Shenzhen Stock Exchange (003816.SZ)
“Director(s)”	the director(s) of our Company
“Equity Cooperation Investment Agreement”	the equity cooperation investment agreement entered into between our Company and Party B on September 24, 2026 in relation to the joint investment in the establishment of the company for the Lufeng Unit 3 and Unit 4 nuclear power project
“Group” or “our Group”	our Company and its subsidiaries

“H Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) (having the meaning ascribed to it under the Listing Rules)
“Jiuli Group”	Jiuli Group Co., Ltd. (久立集團股份有限公司), a joint stock company with limited liability incorporated under PRC law on January 19, 1998 (unlisted, invested or controlled by natural persons)
“Jiuli Hi-Tech Metals”	Zhejiang Jiuli Hi-Tech Metals Co., Ltd. (浙江久立特材科技股份有限公司), a joint stock company with limited liability incorporated under PRC law on January 8, 2004, the A Shares of which are listed on the Shenzhen Stock Exchange (002318.SZ), and a subsidiary of Jiuli Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
“Lufeng Investment Holding”	Lufeng Investment Holding Co., Ltd. (陸豐市投資控股有限公司), a state-owned company incorporated under PRC law on January 20, 2025, which is owned as to 100% by the State-owned Assets Supervision and Administration Bureau of Lufeng City
“Ming Yang Group”	Ming Yang Smart Energy Group Limited (明陽智慧能源集團股份公司), a joint stock company with limited liability incorporated under PRC law on June 2, 2006, the A Shares of which are listed on the Shanghai Stock Exchange (601615.SH)
“Ningde Times Zhaoqing”	Ningde Times (Zhaoqing) New Energy Technology Co., Ltd. (寧德時代(肇慶)新能源科技有限公司), a limited liability company incorporated under PRC law on February 8, 2021, and a wholly-owned subsidiary of Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司)
“Party B”	CFHI, Lufeng Investment Holding, Ming Yang Group, Jiuli Group, Jiuli Hi-Tech Metals and Ningde Times Zhaoqing
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	the lawful currency of the PRC

“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Shares of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Yuan”	Renminbi, the lawful currency of the PRC
“Yueshan Nuclear Power” or “Target Company”	CGN Yueshan (Lufeng) Nuclear Power Co., Ltd.* (中廣核 粵汕(陸豐)核電有限公司) (tentative name, subject to final registration)
“%”	per cent

By Order of the Board
CGN Power Co., Ltd. *

Yin Engang

Chief Financial Officer, Joint Company Secretary and Board Secretary

The PRC, September 24, 2026

As at the date of this announcement, the Board of the Company comprises Mr. Pang Songtao as an executive Director; Mr. Yang Changli, Ms. Li Li, Mr. Feng Jian and Mr. Liu Huanbing as non-executive Directors; Mr. Wong Ming Fung, Mr. Cheng Wei and Mr. Peng Yi as independent non-executive Directors.

* *For identification purpose only*