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**CGN NEW ENERGY HOLDINGS CO., LTD.**

**中國廣核新能源控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1811)**

## **Continuing Connected Transactions Shared Services Agreement**

On 30 July 2021, CGN Shenzhen (a wholly-owned subsidiary of the Company), CGN Wind Energy, CGN Solar Energy, and CGN Energy entered into the Shared Services Agreement, pursuant to which the Service Providers (comprising CGN Wind Energy, CGN Solar Energy and CGN Energy, and their respective subsidiaries from time to time) agreed to provide the Shared Services to the Service Recipients (comprising CGN Shenzhen and its subsidiaries from time to time) from 30 July 2021 to 31 December 2023.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of CGN Wind Energy, CGN Solar Energy and CGN Energy is a subsidiary of CGN, the controlling shareholder of the Company indirectly holding approximately 72.29% of the issued share capital of the Company. Therefore, CGN Wind Energy, CGN Solar Energy and CGN Energy are connected persons of the Company under the Listing Rules and the transactions contemplated under the Shared Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest of the applicable percentage ratios in relation to the Annual Caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Shared Services Agreement are subject to the reporting, annual review, and announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Certain members of the CGN Group, namely CGN Wind Energy, CGN Solar Energy, and CGN Energy, have been sharing with CGN Shenzhen (a wholly-owned subsidiary of the Company) a range of corporate support resources, including but not limited to operational manpower, office and business premises, administrative services, and information system resources. No service fee had been charged by the relevant members of the CGN Group to CGN Shenzhen at the material time, and therefore the transactions contemplated under such arrangements constituted fully exempt continuing connected transactions under Rule 14A.76 of the Listing Rules.

Given that the scale of sharing of such resources is expected to increase due to the continuous development in business of the Company, on 30 July 2021, CGN Shenzhen, CGN Wind Energy, CGN Solar Energy, and CGN Energy entered into the Shared Services Agreement, pursuant to which the Service Providers (comprising CGN Wind Energy, CGN Solar Energy and CGN Energy, and their respective subsidiaries from time to time) agreed to provide the Shared Services to the Service Recipients (comprising CGN Shenzhen and its subsidiaries from time to time) from 30 July 2021 to 31 December 2023.

## **THE SHARED SERVICES AGREEMENT**

The material terms of the Shared Services Agreement are set out below:

### **Date**

30 July 2021

### **Parties**

- (1) CGN Shenzhen (a wholly-owned subsidiary of the Company);
- (2) CGN Wind Energy;
- (3) CGN Solar Energy; and
- (4) CGN Energy.

## **Subject matter**

Pursuant to the terms of the Shared Services Agreement, the Service Providers shall provide the Shared Services to the Service Recipients.

## **Term**

The Shared Services Agreement shall be for a term commencing from 30 July 2021 and ending on 31 December 2023, unless otherwise terminated in accordance with the terms thereunder. The Shared Services Agreement may be renewed by the parties thereto in writing before the expiry of its term, subject to compliance with the Listing Rules.

## **Scope of the Shared Services**

The scope of the Shared Services is set out as follows:

1. usage of office and business premises;
2. human resources support;
3. repair and maintenance services;
4. office and meeting administrative services;
5. sharing of insurance expenses;
6. sharing of business support expenses;
7. sharing of travel expenses;
8. sharing of utilities expenses;
9. sharing of training expenses;
10. information system support; and
11. other operational resources support.

## **Service fees and payment terms**

The service fees payable by the Service Recipients to the Service Providers shall be determined on a “cost-plus” basis, namely that the Service Providers will charge a service fee representing a 5% administrative fee plus the actual costs and expenses that are incurred by such Service Providers in providing the Shared Services to the Service Recipients.

The “cost-plus” basis and the 5% administrative fee were determined by the parties based on arm’s length negotiations and with reference to the margin that is currently charged by the Group for the provision of operation and management services by members of the Group to the power projects in which, among others, CGN Wind Energy, CGN Solar Energy, and/or CGN Energy has interest, as disclosed in the announcement of the Company dated 10 November 2020 and the circular of the Company dated 25 November 2020 in relation to major transactions and continuing connected transactions.

The service fees payable by the Service Recipients pursuant to the Shared Services Agreement shall be settled in cash according to the invoice received on a half-yearly basis.

## **Amendment and termination**

Any amendment to the terms of the Shared Services Agreement shall be agreed by all parties in writing, subject to compliance with any applicable requirements under the Listing Rules.

The Shared Services Agreement may be terminated by mutual consent in writing of all parties.

## **HISTORICAL TRANSACTION AMOUNTS**

As no service fee was paid by the Service Recipients to the Service Providers in respect of the Shared Services in the past, there is no historical figure available for disclosure in respect of service fees for the Shared Services.

## ANNUAL CAPS

The table below sets out the proposed Annual Caps for the service fees payable by the Service Recipients to the Service Providers during the term of the Shared Services Agreement:

	<b>For the period from 30 July 2021 to 31 December 2021 RMB</b>	<b>For the year ending 31 December 2022 RMB</b>	<b>For the year ending 31 December 2023 RMB</b>
Service fees payable for the provision of the Shared Services	87,200,000	155,550,000	180,430,000

In arriving at the Annual Caps for the Shared Services Agreement, the Company considered a number of factors, in particular: (i) the historical usage pattern of the Shared Services; (ii) the estimated amount of Shared Services required based on the expected demand of the Service Recipients; and (iii) a reasonable buffer to allow for the fluctuations in costs of the Shared Services due to factors such as expected inflation in the PRC.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARED SERVICES AGREEMENT

The Services Providers are familiar with the requirements of the Service Recipients and are able to provide the Shared Services in an efficient and reliable manner that can meet the requirements of the Services Recipients which are also subsidiaries of CGN. The Shared Services Agreement is expected to, on the one hand, enable the Group to utilise the corporate support services provided by the Service Providers and, on the other hand, save the management and administrative costs of the Group in procuring similar services from a wide range of other service providers. The Company believes that the Shared Services Agreement will allow the Group to continue to leverage on the mature coverage of services already utilised by the Service Providers and the collective bargaining power of the Service Providers and the Service Recipients in the procurement of services in the future.

The Directors (including independent non-executive Directors) consider that the Shared Services Agreement is entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Shared Services Agreement, together with the Annual Caps thereunder, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Company**

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

### **CGN Shenzhen**

CGN Shenzhen is a company established in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in (i) investments in areas where foreign investment is permitted in the PRC; (ii) providing its investee enterprises with services relating to procurement, product marketing, foreign exchange balance, technical support, staff training, human resources management, and application for loans and provision of guarantees; (iii) establishing scientific research and development centre or department relating to new products of high and new technology; (iv) providing consultancy services for its investors and affiliated companies; and (v) undertaking outsourcing services for its parent company and affiliated companies.

### **CGN Wind Energy**

CGN Wind Energy is a company established in the PRC and a non-wholly owned subsidiary of CGN. As at the date of this announcement, CGN Wind Energy is owned as to approximately 63.6% by CGN and 36.4% by Shenzhen CGN Fengtai Investment Co., Ltd.\* (深圳中廣核風太投資有限公司), respectively. CGN Wind Energy is principally engaged in the development and operations of wind power plants in the PRC. For details of its ultimate beneficial owners, please refer to paragraphs headed “The CGN Group” and “Shenzhen CGN Fengtai Investment Co., Ltd.\*” below.

## **CGN Solar Energy**

CGN Solar Energy is a company established in the PRC and a non-wholly owned subsidiary of CGN. As at the date of this announcement, CGN Solar Energy is owned as to approximately 66.4% by CGN and approximately 33.6% by Shenzhen CGN Fengtai Investment Co., Ltd.\* (深圳中廣核風太投資有限公司), respectively. CGN Solar Energy is principally engaged in the development and operation of solar power plants in the PRC. For details of its ultimate beneficial owners, please refer to the paragraphs headed “The CGN Group” and “Shenzhen CGN Fengtai Investment Co., Ltd.\*” below of this announcement.

## **CGN Energy**

CGN Energy is a company established in the PRC and a wholly-owned subsidiary of CGN. CGN Energy is principally engaged in investment holding.

## **The CGN Group**

CGN is a state-owned enterprise established in the PRC and the controlling shareholder of the Company. The CGN Group is principally engaged in the generation and sale of power, construction, operation and management of nuclear, clean and renewable power project. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the equity interest of CGN is held as to 90% by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) and 10% by Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司), a Guangdong Provincial Government owned enterprise which is principally engaged in state-owned assets operation and management within the scope of authority, state-owned equity interests operation and management, entrusted management, capital operations, funds investment and management, equity interests investment and management, financial investment, finance leasing, insurance brokerage, industry research as well as investment and consultation business for conducting the above-mentioned businesses.

## **Shenzhen CGN Fengtai Investment Co., Ltd.\***

Shenzhen CGN Fengtai Investment Co., Ltd.\* (深圳中廣核風太投資有限公司) is a non-wholly owned subsidiary of CGN. It is principally engaged in investment of new energy. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the equity interest of Shenzhen CGN Fengtai Investment Co., Ltd.\* is held as to 51% by CGN and 49% by Shenzhen CGN Hengjian No. 1 New Energy Partnership Enterprise (Limited Partnership) (深圳中廣核恒健一號新能源合夥企業(有限合夥)), a limited partnership established in the PRC, which is owned as to 1% by CGN and 99% by Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司), a Guangdong Provincial Government owned enterprise which is principally engaged in state-owned assets operation and management within the scope of authority, state-owned equity interests operation and management, entrusted management, capital operations, funds investment and management, equity interests investment and management, financial investment, finance leasing, insurance brokerage, industry research as well as investment and consultation business for conducting the above-mentioned businesses.

## **APPROVAL BY THE BOARD**

None of the Directors has a material interest in the Shared Services Agreement. As the Overlapping Directors are directors and/or senior management of certain members of the CGN Group, for good corporate governance, they have abstained from voting on the resolutions of the Board approving the Shared Services Agreement and the Annual Caps.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of CGN Wind Energy, CGN Solar Energy and CGN Energy is a subsidiary of CGN, the controlling shareholder of the Company indirectly holding approximately 72.29% of the issued share capital of the Company. Therefore, CGN Wind Energy, CGN Solar Energy and CGN Energy are connected persons of the Company under the Listing Rules and the transactions contemplated under the Shared Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.



Given that the highest of the applicable percentage ratios in relation to the Annual Caps exceeds 0.1% but is less than 5%, the transactions contemplated under the Shared Services Agreement are subject to the reporting, annual review, and announcement requirements, but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Annual Caps”	the annual caps in respect of the continuing connected transactions contemplated under the Shared Services Agreement for the period from 30 July 2021 to 31 December 2021 and for the two years ending 31 December 2022 and 2023
“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 and the controlling shareholder of the Company indirectly holding approximately 72.29% of the issued share capital in the Company as at the date of this announcement
“CGN Energy”	CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司), a company established in the PRC and a wholly-owned subsidiary of CGN
“CGN Group”	CGN and its subsidiaries, excluding the Group
“CGN Shenzhen”	CGN New Energy Investment (Shenzhen) Co., Ltd. (中廣核新能源投資(深圳)有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“CGN Solar Energy”	CGN Solar Energy Development Co., Ltd. (中廣核太陽能開發有限公司), a company established in the PRC and a non-wholly owned subsidiary of CGN

“CGN Wind Energy”	CGN Wind Power Co., Ltd. (中廣核風電有限公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
“Company”	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders other than CGN and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overlapping Directors”	Directors who are also director and/or senior management of certain members of the CGN Group, namely Mr. Chen Sui, Mr. Li Yilun, Mr. Zhang Zhiwu and Mr. Xia Linqun
“PRC”	The People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Service Providers”	collectively, (i) CGN Wind Energy; (ii) CGN Solar Energy; (iii) CGN Energy; and (iv) their respective subsidiaries from time to time; and “Service Provider” shall mean any one of them

“Service Recipients”	CGN Shenzhen and its subsidiaries from time to time; and “Service Recipient” shall mean any one of them
“Shared Services”	various types of shared services to be provided by the Service Providers to the Service Recipients pursuant to the terms of the Shared Services Agreement, including but not limited to (i) usage of office and business premises; (ii) human resources support; (iii) repair and maintenance services; (iv) office and meeting administrative services; and (v) other operational resources support, the details of which are set out in the section headed “Scope of the Shared Services” in this announcement
“Shared Services Agreement”	the agreement dated 30 July 2021 entered into between CGN Shenzhen, CGN Wind Energy, CGN Solar Energy, and CGN Energy for the provision of Shared Services from the Service Providers to the Service Recipients, the details of which are set out in this announcement
“Shareholder(s)”	registered holder(s) of the share(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 July 2021

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

*Chairman and non-executive Director : Mr. Chen Sui*

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

*Non-executive Director : Mr. Xia Linqun*

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

*\* For identification purpose only*