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

**中國廣核新能源控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1811)**

## **Discloseable Transaction Engineering, Procurement and Construction (EPC) Contract**

### **THE EPC CONTRACT**

On 22 May 2025 (after trading hours), CGN Shengsi, a subsidiary of the Company, as Employer, entered into the EPC Contract with a consortium of Power China Huadong and CCCC Third Harbor Engineering, as Contractor, pursuant to which CGN Shengsi agreed to engage the consortium to carry out the Construction Work. The Contract Price payable by CGN Shengsi under the EPC Contract is approximately RMB1,420,600,000 (inclusive of tax).

### **LISTING RULES IMPLICATIONS**

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

### **INTRODUCTION**

On 22 May 2025 (after trading hours), CGN Shengsi, a subsidiary of the Company, as Employer, entered into the EPC Contract with a consortium of Power China Huadong and CCCC Third Harbor Engineering, as Contractor, pursuant to which CGN Shengsi agreed to engage the consortium to carry out the Construction Work. The Contract Price payable by CGN Shengsi under the EPC Contract is approximately RMB1,420,600,000 (inclusive of tax).

## THE EPC CONTRACT

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

- Date: 22 May 2025
- Parties:
- (1) CGN Shengsi (as Employer)
  - (2) a consortium of Power China Huadong and CCCC Third Harbor Engineering (as Contractor)
- Subject matter: The Contractor shall be appointed as the contractor to carry out the Construction Work.
- The scope of the Construction Work includes the quality supervision, survey and design, engineering, procurement, construction and construction management of the Project.
- Contract price: The Contract Price payable by the Employer to the Contractor under the EPC Contract shall amount to approximately RMB1,420,600,000 (inclusive of tax), which comprises the following:
- (1) Survey and design fees (inclusive of tax) of RMB50,000,000;
  - (2) Equipment procurement fees (inclusive of tax) of approximately RMB644,400,000. Such amount comprises:
    - (a) conventional equipment fees (inclusive of tax) of approximately RMB9,100,000;
    - (b) tower and submarine cable fees (inclusive of tax) of approximately RMB361,400,000; and
    - (c) onshore converter station fees (inclusive of tax) of approximately RMB273,900,000;
  - (3) Construction and installation engineering fees (inclusive of tax) of approximately RMB656,200,000, which include approximately RMB75,400,000 as the fees for prefabrication of steel pipe piles; and

- (4) Sea area usage and coordination fees (inclusive of tax) of RMB50,000,000; and
- (5) Other fees (inclusive of tax) of RMB20,000,000.

Expected construction commencement and completion date:

- (1) Expected construction commencement date: subject to the order of commencement issued by supervising engineer, one week after the date of the EPC Contract.
- (2) Expected completion date: 20 November 2025 for the designed power generation capacity being fully connected to grid.

Payment terms and schedule: (1) Advance payment

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

(2) Progress payment

(a) Survey and design fees:

- (i) After completion of the final draft of the in-depth design drawings, the Employer shall pay the Contractor forty per cent (40%) of the survey and design fees;
- (ii) After the completion of all the construction drawings, the Employer shall pay the Contractor thirty per cent (30%) of the survey and design fees;
- (iii) After the completion of all the as-built drawings, the Employer shall pay the Contractor seventeen per cent (17%) of the survey and design fees; and

- (iv) After the end of quality assurance period, the Employer shall pay the Contractor three per cent (3%) of the survey and design fees.

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

(b) Equipment procurement fees:

- (i) Conventional equipment (other than towers, submarine cables, and onshore converter stations): seventy per cent (70%) upon arrival of equipment, twenty-seven per cent (27%) upon preliminary acceptance and three per cent (3%) as quality assurance fee upon final acceptance, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.
- (ii) Towers and submarine cables: fifty per cent (50%) as advance fee after receiving performance guarantee, forty per cent (40%) upon delivery of equipment, seven per cent (7%) upon preliminary acceptance and three per cent (3%) as quality assurance fee upon final acceptance, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

(iii) Onshore converter stations: ten per cent (10%) as advance fee after receiving performance guarantee, forty per cent (40%) upon delivery of equipment, forty-seven per cent (47%) upon preliminary acceptance and three per cent (3%) as quality assurance fee after 180 days of the preliminary acceptance and receipt of quality assurance guarantee, in each case payable to the Contractor within 30 days after receipt and acceptance by the Employer of payment applications, tax invoices, receipts and other requested documents.

(c) Construction and installation engineering fees:

(i) Fees for prefabrication of steel pipe piles: forty per cent (40%) of the fees for prefabrication of steel pipe piles is payable by the Employer after the Contractor starts the prefabrication of steel pipe piles and provides the Employer with agreement(s) and documentation proving the procurement of the raw materials for prefabrication of steel pipe piles and the commencement of the prefabrication as well as tax invoices. The remaining portion will be payable as part of the progress payment.

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

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

(d) Sea area usage and coordination fees:

The Employer shall pay the Contractor fifty per cent (50%) of such fees after completing the management services and acceptance by the Employer, and fifty per cent (50%) of such fees after the completion of the final settlement of the Project.

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

(e) Other fees:

Other fees refer to management service fees such as special tests, special reports, legal and compliance procedures fees.

The Employer shall pay the Contractor fifty per cent (50%) of such fees after completing the management services and acceptance by the Employer, and fifty per cent (50%) of such fees after the completion of the final settlement of the Project.

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

## **BASIS OF DETERMINATION OF THE CONTRACT PRICE**

The Contract Price was determined by a competitive public tender during which four contractors participated in such competitive public tender and the Contractor (being the consortium of Power China Huadong and CCCC Third Harbor Engineering) achieved the highest score in terms of the price, technical experience, professional qualifications, business reputation, financial condition, response of the Contractor during tender process, plan of construction, project management abilities and other relevant factors which the Board considers fair and reasonable.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE EPC CONTRACT**

The EPC Contract was made in the usual and ordinary course of business of the Group in furtherance of the Group's principal business and thus beneficial to the Group's commercial interest in the long run.

Further, the subject matter of the EPC Contract, i.e. the Project, is located in the Zhoushan City, Zhejiang Province, the PRC with a sea area of approximately 23,250 mu. The Project has been incorporated into Zhejiang Province's electric power indicators. Also, the Project is a key sizeable standalone wind power project being promoted by Zhoushan City. Once completed and put into operation, the Project can relieve local power shortage, promote the developments of local economies and new energy, and serve as a good demonstration for local wind power projects.

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

## **FINANCIAL EFFECTS OF THE EPC CONTRACT**

As a result of entering into the EPC Contract, the property, plant and equipment of the Group will be increased by approximately RMB1,285,480,000 and the liabilities of the Group will be increased by approximately RMB947,060,000. The overall effects of entering into the EPC Contract on the future earnings of the Group will depend on the return to be generated from the operation of the Project.

## **INFORMATION ON THE RELEVANT PARTIES TO THE EPC CONTRACT**

### **The Company**

The Company is a diversified independent power producer in terms of fuel type and geography, with a portfolio of assets comprising wind, solar, gas-fired, coal-fired, oil-fired, hydro and biomass power generation projects and an energy storage project in the PRC and Korea.

### **CGN Shengsi**

CGN Shengsi is a company established in the PRC and a 97.1473%-owned subsidiary of the Company. It is principally engaged in the development, construction, operation and maintenance of projects for generation of wind power and photovoltaic power and for wave power, as well as the technical consultation and services for the respective projects.

### **Power China Huadong**

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Power China Huadong, the consortium leader of the Contractor under the EPC Contract, is (i) principally engaged in engineering, procurement and construction for engineering projects, design, survey, consultation, supervision, inspection and other related businesses; and (ii) a subsidiary of Power Construction Corporation of China, Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601669) and focusing on engineering, procurement, construction, surveying and design, power investment and operation, equipment manufacturing and leasing.

## **CCCC Third Harbor Engineering**

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CCCC Third Harbor Engineering, the consortium member of the Contractor under the EPC Contract, is (i) principally engaged in the construction general contracting, engineering general contracting and project management for various types of projects such as housing construction, highway, railway, municipal services, ports and waterways, water conservancy and hydropower, etc.; and (ii) a subsidiary of China Communications Construction Company Limited, a company listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 01800) and focusing on y infrastructure construction, infrastructure design and dredging.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Power China Huadong, CCCC Third Harbor Engineering and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

## **LISTING RULES IMPLICATIONS**

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## **FORWARD-LOOKING STATEMENTS**

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

## DEFINITIONS

“a consortium of Power China Huadong and CCCC Third Harbor Engineering” or “Contractor”	a consortium of Power China Huadong and CCCC Third Harbor Engineering, with Power China Huadong being the consortium leader and CCCC Third Harbor Engineering being the consortium member
“Board”	the board of Directors
“CCCC Third Harbor Engineering”	CCCC Third Harbor Engineering Co., Ltd.* (中交第三航務工程局有限公司), a company established in the PRC
“CGN Shengsi” or “Employer”	CGN (Shengsi) New Energy Co., Ltd. (中廣核(嵊泗)新能源有限公司), a company established in the PRC and a subsidiary of the Company
“Company”	CGN New Energy Holdings Co., Ltd. (中國廣核新能源控股有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1811)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Construction Work”	all works performed by the Contractor and its subcontractor for the quality supervision, survey and design, engineering, procurement, construction and construction management of the Project
“Contract Price”	the consideration payable by the Employer to the Contractor under the EPC Contract which is the total amount of (1) survey and design fees; (2) equipment procurement fees; (3) construction and installation engineering fees; (4) sea area usage and coordination fee; and (5) other fees in accordance with the EPC Contract
“Directors”	directors of the Company
“EPC Contract”	the engineering, procurement and construction contract dated 22 May 2025 entered into between the Employer and the Contractor for the Construction Work

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“mu”	a unit of land area, one mu equal to approximately 666.667 square meters
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.04(9) of the Listing Rules
“Power China Huadong”	Power China Huadong Engineering Corporation Limited (中國電建集團華東勘測設計研究院有限公司), a company established in the PRC
“PRC”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only and except when the context requires, references in this announcement to the PRC do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region of the PRC
“Project”	the offshore wind farm project located in Zhoushan City, Zhejiang Province, the PRC and related structures and facilities to be designed, engineered, procured, constructed, installed, tested, commissioned, completed and rectified under the EPC Contract
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“%” per cent.

\* for identification purpose only

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

Hong Kong, 22 May 2025

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

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

*Non-executive Directors* : *Mr. Zhao Xianwen and  
Ms. Mu Wenjun*

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