



CGN INAUGURAL GREEN BOND ISSUANCE

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Independent Limited Assurance Statement to the Directors of CGNPC International Limited

We were engaged by CGNPC International Limited (the "Company") to provide limited assurance over its *Green Bond Management Statement (Appendix A)* to conclude whether as of 21 November 2017:

- The use of the proceeds, as described in the Company's *Green Bond Management Statement*, is in accordance with the "Use of Proceeds" requirements of *Green Bond Principles, 2017*;
- The Policies and Internal Controls (including project evaluation and selection, management of proceeds, and reporting), are in accordance with the requirements of *Green Bond Principles, 2017*.

Responsibilities of Directors

The directors of the Company are responsible for:

- Preparation, presentation and implementation of the Use of Proceeds of the *Green Bond Management Statement* in accordance with the "Use of Proceeds" requirements of *Green Bond Principles, 2017*;
- Preparation, presentation and implementation of the Policies and Internal Controls (including project evaluation and selection, management of proceeds, and reporting) described in the *Green Bond Management Statement*, and the suitable design of controls, to meet the requirements of *Green Bond Principles, 2017*;
- Establishing appropriate risk management and internal controls relevant to the collection, preparation and presentation of the *Green Bond Management Statement* is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express our limited assurance conclusion in relation to the Company's *Green Bond Management Statement* to conclude whether as of 21 November 2017:

- The use of the proceeds, described in Company's *Green Bond Management Statement* in accordance with the "Use of Proceeds" requirements of *Green Bond Principles, 2017*;
- The Policies and Internal Controls (including project evaluation and selection, management of proceeds, and reporting), are in accordance with the requirements of *Green Bond Principles, 2017*.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. Our firm applies *International Standard on Quality Control 1* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Basis of Our Work

We conducted our assurance engagement in accordance with the *International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historic Financial Information* (the "ISAE3000"), which requires the assurance team to have relevant knowledge, skills and expertise to understand and review the report information. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide sufficient evidence to form conclusions.

Our procedures performed include interviewing with Company's personnel responsible for collection, preparation and presentation of the *Green Bond Management Statement*, reviewing relevant supporting documents, analyzing the information obtained, and other procedures relevant to the collection of appropriate review evidence. Specifically the procedures include:

- Assessing the appropriateness of the eligible criteria established by Company for the use of proceeds;
- Conducting interviews with management and key staff responsible for the Green Bond process to obtain an understanding of the policies, processes and internal controls in place for the project evaluation and selection, management of proceeds, and reporting;
- Checking documentation which supports the policies, processes and internal controls in place for the project evaluation and selection, management of proceeds, and reporting;
- Performing limited testing to source documentation to support the evaluation and selection of eligible projects.

Limitations of Our Work

Processes conducted in the limited assurance and the scope of this engagement are less than that of reasonable assurance. Our assurance work and report will not express an opinion on the effectiveness and performance of Company's management system and procedure.

Our assurance was limited to Company's 2017 Green Bond pre-issuance, and did not include statutory financial statements. Our assurance was limited to policies and procedure in place as of 21 November 2017, before the issuance of Company's 2017 Green Bond.

Conclusions

- Subject to the limitation of our work, and the work performed and described in the *Independent Limited Assurance Statement*, nothing has come to our attention that would cause us to believe that the Use of Proceeds, described in the *Green Bond Management Statement* is not in accordance with the "Use of Proceeds" requirements of *Green Bond Principles, 2017*;
- Subject to the limitation of our work, and the work performed and described in the *Independent Limited Assurance Statement*, nothing has come to our attention that would cause us to believe that the Policies and Internal Controls (including project evaluation and selection, management of proceeds, and reporting), are not in accordance with the requirements of *Green Bond Principles, 2017*.

Restriction on Use

Our work has been undertaken to enable us to express a limited assurance conclusion in accordance with the terms of our engagement agreed with the directors of Company, and for no other purpose. We do not accept or assume liability to any party other than Company for our work, for this report, or for the conclusion we have reached.

Deloitte Touche Tohmatsu Certified Public Accountants LLP

Deloitte Touche Tohmatsu Certified Public Accountants LLP

21 November, 2017

Appendix A

CGNPC International Limited Green Bond Management Statement

CGNPC International Limited (the “Company”) is responsible for the preparation and fair presentation of this Green Bond Management Statement (the “Statement”) as of 21 November 2017, and China General Nuclear Power Corporation (the “CGNPC Group”) is the Company's parent company and the guarantor. CGN European Energy UK Holding Limited (the “CGNEE”) is the Company's wholly owned subsidiary.

Purpose

This *Statement* is developed to demonstrate how the Company funds existing and new projects with environmental benefits by issuing Green Bonds in compliance with the *Green Bond Principles, 2017*.

Assertions from management

For the Company's Green Bonds to be issued in 2017, the Company Management asserts that it will adopt (1) Use of Proceeds (2) Project Evaluation and Selection (3) Management of Proceeds (4) Reporting as set out in this *Statement*.

1. Use of Proceeds

With reference to the *Green Bond Principles 2017*, proceeds raised through the Green Bond issuances will be exclusively used to Eligible Green Projects, and will not be used to finance nuclear-related projects. Eligible Green Projects refer to investments in the conception, construction and installation of renewable energy production units and associated expenses for the acquisition and the construction. It covers energy produced from renewable energy sources and only includes wind and solar as sources of energy.

The Eligible Green Projects shall comply with specific Environmental, Social and Governance (“ESG Criteria”) and are highly scrutinized through the following process:

- Review of in-depth due diligence provided by technical advisors analyzing the environmental aspects of the project and its compliance with local regulation for environmental and labor matters.
- Dedicated teams within CGN Group including the “Health, Safety and Environment” and the “Organization and Management” (“O&M”) departments reviewing the due diligence reports and providing recommendations on the environmental and social aspects. These departments are in charge of the compliance and monitoring of the ESG Criteria during the construction and operating phases of the project.

The main ESG Criteria, which are highly scrutinized include among other factors are the following:

- Monitor the environmental impact of the projects and improve energy efficiency of the facilities and resources utilization rate to achieve energy saving in response to the climate change.
- Promote the compliance with environmental protection regulations, and encourage suppliers to observe best practices in operating in an environmentally responsible manner to reduce carbon emission and waste production and enhance recycling effort to mitigate the effects on environment.
- Manage of the environmental impact of the project, and carry forward the sophisticated conservation policy and protect surrounding biology diversity of the source of energy.
- Protect human and labor rights, and establish ethical, transparent and sustainable human resources practices and processes.
- Promote health and safety of all employees and contractors.
- Build and improve consultation and communication mechanism for the territory’s stakeholders including suppliers, constructors, and contractors through various channels such as transparent disclosure, consulting, visit and communities activities, responding to the expectation of stakeholders effectively, all of which help form the mutual trust and reciprocal relationship.
- Commit to proactive dialogue and actively contribute to local communities and their economic development.

The Eligible Green Projects that CGN Group that have been identified and selected so far are mainly located in Northern Ireland, Ireland, France, Belgium, Senegal and Wales. From the project portfolio that CGN

Group has been building, the geographical location for those pipeline shall primarily be located in the Continental Europe.

2. Project Evaluation and Selection

CGN Group will adopt the following evaluation procedures to identify and select Eligible Green Projects:

Preliminary Screening

Strictly following the ESG (“Environmental, Social and Governance”) standards of the CGN Group, CGNEE makes the preliminary screening, and classifies them into eligible projects. Other technical parameters such as project scale, financial return, construction progress and risk assessment etc. are also considered in parallel in formulating the investment plan which is submitted to CGN Group’s Annual Investment Plan Approval Meeting for pre-approval and annual budgeting.

Approval

Once the Annual Investment Plan Approval Meeting has pre-approved the selected projects, CGNEE will conduct a series of analysis and feasibility studies including but not limited to the environmental impact analysis, financial modeling and due diligence of the projects. The results of the analysis and feasibility studies will be submitted to the Investment Assessment Center for validation, and then the Investment Assessment Center evaluates and recommends the investment project to CGNEE Board of Directors and CGN Group.

With the approval of the Board of Directors of CGNEE, investment decisions of any project above EUR100 million shall be submitted to the General Manager Office meeting for final approval. Apart from allocating or raising funds according to annual budget, projects that will be financed by green bond proceeds will be overseen by the Finance Department of Head Office to comply with the “Use of Proceeds” provision.

3. Management of Proceeds

The Company as Green Bond issuer will open a dedicated account, whereby the proceeds of any Green Bond issued by the Company will be deposited after issuance. For each Green Bond issuance, the funds will be specially earmarked within internal accounting systems to ensure that such funds will finance only disbursements related to Eligible Green Projects as defined under the Use of Proceeds. The Finance Department of CGN Group Head Office will implement the account supervision and fund flow tracking through the centralized electronic banking system, and CGNEE will report to its Board of Directors and Investment Assessment Center of CGN Group’s Finance Department on a regular basis about the progress of the allocation of proceeds.

Any balance of issuance proceeds not allocated to Eligible Green Projects will be held in accordance with CGN Group’s Treasury strategy and invested in cash, cash equivalent and/or money market instruments. CGN Group will provide an audit report by an independent third-party on an annual basis until the full allocation of proceeds into Eligible Green Projects.

The Company will retain necessary records of the amount of the net proceeds that has been allocated to Eligible Green Projects and the amount of the net proceeds, if any, which remains in the specific account for future allocation to Eligible Green Projects.

The use of proceeds and the allocation of the proceeds will be strictly in accordance with this Statement, as well as the Company's fund management system.

CGNPC Group intends to allocate the proceeds of a given Green Bond issuance within 24 months from the issue date of each Green Bond issuance.

4. Reporting

So long as the Green Bonds are outstanding and until such time as all of the net proceeds have been allocated to Eligible Green Projects, CGN Group will prepare a Green Bond report, on an annual basis, that will provide an overview of the projects financed through the proceeds raised from Green Bond issuance. The following information about the Eligible Green Projects financed will be provided:

- A brief introduction of the Eligible Green Projects

- Amount of the Green Bonds allocated to the Eligible Green Projects
- Amount and use of the unallocated proceeds.
- Environmental Impact Reporting

The allocation of proceeds will be audited on an annual basis by an independent third-party auditor until the full allocation of proceeds into Eligible Green Projects.

CGNPC International Limited

21 November 2017

CGN GREEN BOND FRAMEWORK

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1. Introduction

2. Green Bond Framework

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1. Introduction

Greenhouse gas emissions, which are closely linked to energy production and consumption, have become one of the biggest environmental challenges for the world and China. As an international agreement to address the global climate change, the Paris Climate Agreement came into effect since 4 November 2016. As a responsible developing country, China has announced a strong commitment towards emission reduction. According to the China Climate Bulletin (2015):

- by 2030, CO₂ emissions per unit of GDP will be reduced by 60-65% from the 2015 level;
- by 2030, non-fossil energy will account for 20% of total primary energy consumption, in comparison to the actual level of 11.9% in 2015.

On 5 January 2017, the National Energy Administration of China issued the “Thirteenth Five-Year Plan on Energy” and “Thirteenth Five-Year Plan on Renewable Resources”, which proposed three main objectives: firstly, to continue to step up the development of non-fossil fuels; secondly, to expand the consumer market of natural gas; and thirdly, to achieve clean and efficient use of fossil fuels, in particular coal. It is expected that clean energy will become the main driving force of increasing energy supply during the “Thirteenth Five-Year Plan”.

China General Nuclear Power Corporation (“CGN Group”) is one of the backbone state-owned enterprises of China and one of the leading energy groups in China. It is now the largest nuclear power group and the fifth largest renewable energy group in China. In line with the commitments and objectives set by the Chinese Government, CGN Group will continue to pursue the mission of “developing clean energy to benefit mankind”.

Originated from nuclear power generation business, CGN Group expanded into non-nuclear clean and renewable energy (including mainly wind, hydro, solar power as well as energy conservation technologies) since 2005. In 2010, CGN acquired Meiya Power (subsequently renamed to CGN New Energy Holdings Co Ltd) which is now a HK-listed company and a majority-owned subsidiary of CGN Group to develop non-nuclear clean and renewable energy. To promote the renewable energy development, CGN has established four investment vehicles domestically and globally with different geographical focus for the development of the renewable energy projects. For example, CGN Wind Energy and CGN Solar Energy shall cover China domestic market; CGN New Energy Holdings Co Ltd covers all countries alongside “One-Belt-One-Road” in Southeast Asia; and CGN Europe Energy SAS (“CGNEE”) covers Europe and Africa.

In addition to the investment strategy in the renewable energy sector, CGN has also established an efficient process of negative list (“Negative List”), which details a number of areas that are restricted from investments or with inadequate pre-assessment, such as coal-fired power generation, oil-fired power generation and small hydropower projects in the installed capacity of less than 25MW.

In 2014, CGN Group established a wholly-owned subsidiary in Paris, France named CGNEE, which is positioned as the dedicated European platform of CGN Group to develop clean and renewable energy in Europe and Africa. Europe has a stable social environment and market environment and is comprised of developed economies with sound legal system and stable demand for electricity. High-quality green projects are more prevalent in Europe. By investing in selected green projects in Europe, CGN can obtain a stable financial return. CGN is also aspired to become a world-class clean energy enterprise, green investments in Europe is in line with this vision and is part of CGN’s internationalization strategy. Africa is a market with substantial potential for renewable energy due to (i) shortage of electrical power and (ii) their location neighboring the Earth’s equator region with abundant solar energy resources

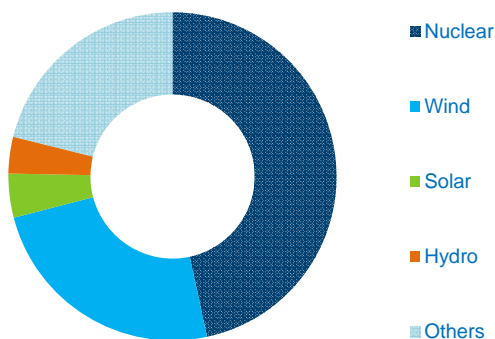
So far, CGNEE has already successfully invested in wind and solar power generation assets in the UK, France, Northern Ireland, Ireland, Belgium. Since December 2016, it owns the 100% stake in Esperance Project, which is the largest operational onshore wind farm in Belgium with installed capacity of approx. 80 MW being in operations since 2010. In November 2016, CGNEE acquired 90% equity stake in Malicounda project which is a solar power project in Dakar, Senegal and CGN’s maiden renewable energy project in Africa with total target installed capacity of 100 MW. Presently, the project is at phase one and is granted a sovereign guarantee. The project also sets an example for

EU-China cooperation on the development of African new energy. CGNEE acquired 100% stake in Douvan Project in December 2016, which is an operational onshore wind project in Northern Ireland and Ireland with total installed capacity of 180 MW. CGNEE has also invested in a floating offshore wind project in Morbihan, France (the Le Groix project) jointly with a renowned French renewable energy developer, EOLFI. This project was China's first investment in this innovative category of energy.

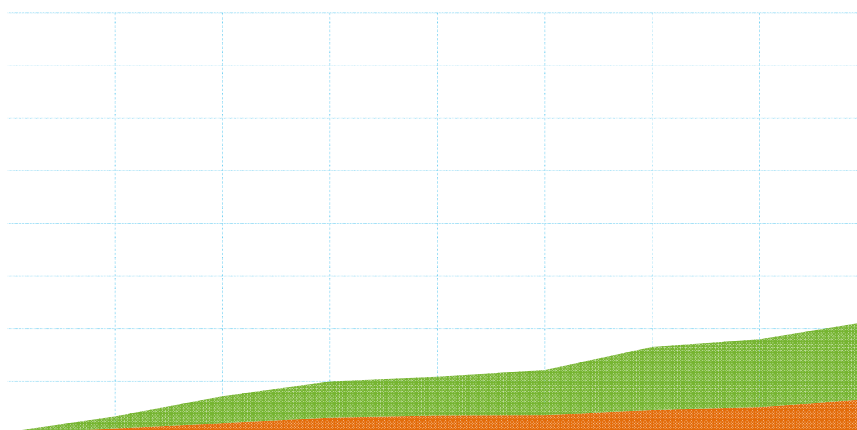
Over the approximately four years of development, CGNEE was ranked the Top 6 renewable energy operator in France as per statistics as of Nov 2016. CGNEE has controlled renewable energy with total installed capacity of 600 MW as of May 2017. According to the objective of CGNEE, its ranking among renewable energy groups in France is expected to improve from No.6 as of Nov 2016 to No.3 by the end of 2017.

Today, renewable energy represents a substantial portion of the CGN Group's operations. At the end of 2016, CGN Group had installed wind power capacity of 10.63 GW, installed solar power capacity of 1.89 GW and installed hydro power capacity of 1.58 GW in operation. During the year of 2016, the incremental new capacity of wind and solar power amounted to 2.45 GW in total. The aggregated installed capacity of wind, solar and hydro power represented 32% of CGN Group's total installed power generation capacity in operation at the end of 2016.

The accumulated installed capacity stands at 43.71GW as of December, 2016.



Total Assets, Net Assets and Revenue



In 2016, CGN's total on-grid clean power generation (including nuclear power and renewable energy) reached 176.8 TWh, which is equivalent to conservation of coal consumption of approx. 57.28 million tons, or reduction of NOx emission by 880 thousand tons or CO2 emission by 139.85 million tons, or reduction of SO2 emission by 1.37 million tons.

As an objective to further develop renewable energy, CGN aims to increase its installed power capacity in renewable energy to 35 GW by the end of 2020.

For the renewable business in Europe in particular, the business objective of CGNEE is to increase the installed capacity of its renewable assets to 1 GW by the end of 2017 and further to 1.5 GW by the end of 2018.

2. Green Bond Framework

CGN's Green Bond Framework has been drafted in alignment with the Green Bond Principles 2017 ("GBP")¹. As such, it will follow the four components as described by the GBP: Use of Proceeds, Process for Project Selection, Management of Proceeds and Reporting.

2.1 Use of Proceeds

Proceeds raised through the Green Bond issuances will be exclusively used to finance or refinance investments in whole or in part "Eligible Green Projects" (defined below) owned by subsidiaries or affiliates within CGN Group. "Eligible Green Projects" refer to investments in the conception, construction and installation of renewable energy production units and associated expenses for the acquisition and the construction. It covers energy produced from renewable energy sources and only includes wind and solar as sources of energy.

The Eligible Green Projects shall comply with specific Environmental, Social and Governance ("ESG Criteria") and are highly scrutinized through the following process:

- Review of in-depth due diligence provided by technical advisors analyzing the environmental aspects of the project and its compliance with local regulation for environmental and labor matters
- Dedicated teams within CGN including the "Health, Safety and Environment" and the "Organization and Management" ("O&M") departments reviewing the due diligence reports and providing recommendations on the environmental and social aspects. These departments are in charge of the compliance and the monitoring of the ESG Criteria during the construction and operating phases of the project.

The main ESG Criteria, which are highly scrutinized include among other factors are the following:

- Monitor the environmental impact of the projects and improve energy efficiency of the facilities and resources utilization rate to achieve energy saving in response to the climate change;
- Promote the compliance with environmental protection regulations, and encourage suppliers to observe best practices in operating in an environmentally responsible manner to reduce carbon emission and waste production and enhance recycling effort to mitigate the effects on environment;
- Management of the environmental impact of the project, and carry forward the sophisticated conservation policy and protect surrounding biology diversity of the source of energy;
- Protect human and labor rights, and establish ethical, transparent and sustainable human resources practices and process;
- Promote health and safety of all employees and contractors;
- Build and improve consultation and communication mechanism for the territory's stakeholders including suppliers, constructors, and contractors through various channels such as transparent

¹ More information on <http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/green-bond-principles/>.

disclosure, consulting, visit and communities activities, responding to the expectation of stakeholders effectively, all of which help form the mutual trust and reciprocal relationship;

- Committed to proactive dialogue and active contribution to local communities and their economic development;

The Eligible Green Projects that CGN Group that have been identified and selected so far are mainly located in Northern Ireland, Ireland, France, Belgium, Senegal and Wales. From the project portfolio that CGN Group has been building, the geographical location for those pipeline shall primarily be located in the Continental Europe.

The Eligible Green Projects can be existing and or future investments but they will all be funded and/or disbursed at the latest until 24 months after the issuance of the Green Bond.

2.2 Process for Project Evaluation and Selection

CGN Group will adopt the following evaluation procedures to identify and select eligible green project:

Preliminary Screening

As part of CGN's global renewable energy strategy, in June 2014, CGNEE was established in Paris, France as a wholly owned subsidiary of CGN Group. CGNEE is committed to the development of renewable energy development such as onshore and offshore wind power, solar and renewable energy with the business scope ranging from investment, acquisition, exploration and project development, to facility maintenance and asset management.

Strictly following the ESG ("Environmental, Social and Governance") standards of the Group, CGNEE makes the preliminary screening, and classifies them into eligible projects. Other technical parameters such as project scale, financial return, construction progress and risk assessment etc. are also considered in parallel in formulating the investment plan which is submitted to CGN Group's Annual Investment Plan Approval Meeting for pre-approval and annual budgeting.

The Annual Investment Plan Approval Meeting is composed of CGN Head Office's Strategic Planning Department and Finance Department, whose department heads and key finance managers in charge of the investment evaluation of the proposed projects shall review the projects from multi perspectives including ESG Compliance and environmental impact, strategic planning, stress testing, financial budget and financing plan, etc. . .

Approval

Once the Annual Investment Plan Approval Meeting has pre-approved the selected projects, CGNEE will conduct a series of analysis and feasibility studies including but not limited to the environmental impact analysis, financial modeling and due diligence of the projects. The results of the analysis and feasibility studies will be submitted to the Investment Assessment Center for validation. Investment Assessment Center is a standing division under CGN Group Finance Department whose major responsibility is to evaluate and recommend the investment project to CGNEE Board of Directors and CGN Group.

With the approval of the Board of Directors of CGNEE, investment decisions of any project above EUR100 million shall be submitted to the General Manager Office meeting, which is held twice a month for final approval. CGN General Manager Office is the Group's highest decision-making authority of administrative and operational matters and is hosted by Mr. Zhang Shanming, who is

authorized by the Board of Directors of the CGN Group. The General Manager Office Meeting is generally composed of the members of the General Manager Department, which include Deputy General Manager, Assistant General Manager and General Manager, Finance Department and CGNEE will also attend this meeting. Apart from allocating or raising funds according to annual budget, projects that will be financed by green bond proceeds will be overseen by the Finance Department of Head Office to comply with the "Use of Proceeds" provision.

Management of Proceeds

CGN International as Green Bond issuer will open a dedicated account, whereby the proceeds of any Green Bond issued by CGN International will be deposited after issuance. For each Green Bond issue, the funds will be specially earmarked within internal accounting systems to ensure that such funds will finance only disbursements related to Eligible Green Projects as defined under the Use of Proceeds. The Finance Department of CGNPC Head Office will implement the account supervision and fund flow tracking through the centralized electronic banking system, and CGNEE will report to its Board of Directors and Investment Assessment Center of CGN's Finance Department on a regular basis on the progress of the allocation of proceeds.

Any balance of issuance proceeds not allocated to Eligible Green Projects will be held in accordance with CGN's Treasury strategy and invested in cash, cash equivalent and/or money market instruments. CGN Group will provide an audit report by an independent third-party on an annual basis until the full allocation of proceeds into Eligible Green Projects.

CGN intends to allocate the proceeds of a given Green Bond issuance within 24 months from the issue date of each Green Bond issuance.

2.3 Reporting

CGN Group will prepare a Green Bond report, on an annual basis, that will provide an overview of the projects financed through the proceeds raised from a Green Bond issuance. The following information will be provided on the Eligible Green Projects financed:

- Project Category
- Project Size (MW)
- Project Location
- Project Revenue Mechanism
- Annual Operating Hours
- CGN's share percentage
- Project Costs
- Currency
- Starting date of operation/age of the project
- Amount of the Green Bond allocated to this Eligible Project

The allocation of proceeds will be audited on an annual basis by an independent third-party auditor until the full allocation of proceeds into Eligible Green Projects.

Environmental Impact Reporting

CGN Group will promote the use of impact reporting and the Green Bond report will provide with the information per Eligible Green Project;

- Installed capacity in MW;
- Annual GHG emissions avoided in tons of CO₂ equivalent; and
- Annual renewable energy production in MWh

CGN International will also provide the consolidated figures for all the Eligible Green Projects and the ratio per the amount financed through the Green Bond.

All reporting will be publicly available.

3. External Assurance

CGN International has asked Deloitte to provide an independent assessment on the alignment of the CGN Green Bond Framework to the Green Bond Principles (the “Independent Limited Assurance”) which concludes that CGN Green Bond Framework is in compliance with the Green Bond Principles, 2017.

This document is publicly available on CGN’s website.