

## **CGNPC International Limited**

### **Annual Green Bond Report**

**(As of 30 November 2018)**

CGNPC International Limited ("CGNPC") has issued two Green Bonds separately in 2017 and 2018. The 1<sup>st</sup> Green Bond was issued in the offshore market through Irish Stock Exchange Plc on 5 December 2017, which was 500 million euro-denominated seven-year bond at 1.625 percent. The 2<sup>nd</sup> Green Bond was issued in the offshore market through Irish Stock Exchange Plc trading as Euronext Dublin on 5 September 2018, which was 500 million euro-denominated seven-year bond at 2.000 percent.

This report has been developed to indicate the use of proceeds of the Green Bonds for the period ended 30 November 2018. CGNPC is responsible for the preparation and fair presentation of the Annual Report on the Use of Proceeds of Green Bonds (as of 30 November 2018). CGNPC confirms that the use of proceeds of its 1<sup>st</sup> and 2<sup>nd</sup> Green Bonds fully complied with the CGNPC Green Bond Framework and the Green Bond Management Statements issued on 21 November 2017 and 20 August 2018. **1. Net**

#### **Proceeds**

The net proceeds of the issue of the 1<sup>st</sup> Green Bond (representing the proceeds of the offering of the 1<sup>st</sup> Green Bond after deducting underwriting fee and roadshow expense) are EUR497.616 million, was received on 11 December 2017.

The net proceeds of the issue of the 2<sup>nd</sup> Green Bond (representing the proceeds of the offering of the 2<sup>nd</sup> Green Bond after deducting underwriting fee and roadshow expense) are EUR497.350 million, was received on 12 September 2018.

**Table 1. Net proceeds and details of the CGNPC Green Bonds**

	<b>Issue Date</b>	<b>Maturity (year)</b>	<b>Issue Amount (EUR million)</b>	<b>Price</b>	<b>Expense (EUR million)</b>	<b>Net proceeds (EUR million)</b>
The 1 <sup>st</sup> Green Bond	5 December 2017	7	500	99.797%	1.369	497.616
The 2 <sup>nd</sup> Green Bond	5 September 2018	7	500	99.696%	1.130	497.350

## 2. Use of Proceeds

As of 30 November 2018, all of the net proceeds of the 1<sup>st</sup> Green Bond had been fully allocated to the eligible green projects.

Most of the net proceeds of the 2<sup>nd</sup> Green Bond, EUR 371.076 million, had been allocated to eligible green projects. The unallocated proceeds of the 2<sup>nd</sup> Green Bond, EUR126.273 million, is expected to be allocated to the acquisition of new eligible green projects in March 2019.

All the green projects fall into the renewable energy category according to CGNPC's Green Bond Framework. The amount of net proceeds allocated is indicated in the following tables.

**Table 2. Net Proceeds of the 1<sup>st</sup> Green Bond Allocation**

<b>Serial No.</b>	<b>Project/Entity name</b>	<b>Location</b>	<b>Allocated Amount (EUR million)</b>
1	Douvan Wind Farm Project	Ireland and Northern Ireland	127.000
2	Windfall Wind Farm Project	France	192.250
3	Inovia Solar Power Project	France	13.040
4	Esperance Wind Farm Project	Belgium	143.270

5	Malicounda Solar Power Project	Senegal	12.038
6	CGN Europe Energy Co., Ltd <sup>1</sup>	France	10.000 <sup>2</sup>
<b>Total</b>			<b>497.598</b>

**Table 3. Net Proceeds of the 2<sup>nd</sup> Green Bond Allocation**

<b>Serial No.</b>	<b>Project/Entity name</b>	<b>Location</b>	<b>Allocated Amount (EUR million)</b>
1	Olympia Wind Farm Project	France	51.682
2	Inovia Solar Power Project	France	2.004
3	Alize Wind Farm Project	France	60.084
4	Hermes Wind Farm Project	France	36.674
5	Forum Wind Farm Project	Netherland	41.075
6	North Pole Wind Power Project	Sweden	179.557
<b>Total</b>			<b>371.076</b>

### 3. Environment Benefits

The green projects funded by the net proceeds included wind farm projects and solar power projects. The construction and operation of wind farm projects and solar power project makes the fullest use of the renewable energy and reduce the use of fossil fuel. The environment benefits are indicated in the following tables.

<sup>1</sup> CGN Europe Energy Co., Ltd is a renewable energy power operator in France and is primarily engaged in the investment, development, operation and management of wind energy, solar energy and other renewable energy projects in Europe and Africa.

<sup>2</sup> The proceeds were invested for the expenditures for financing wind and solar projects of CGN Europe Energy Co., Ltd.

**Table 4. Environmental Benefits of the Renewable Energy Projects Funded by the 1<sup>st</sup> Green Bond**

Category	Installed Capacity (MW)	Annual power generation (GWh)	Total estimated CO <sub>2</sub> emission reduction (tCO <sub>2</sub> e/y)	Estimated CO <sub>2</sub> emission reduction generated by green bonds proceeds (tCO <sub>2</sub> e/y)
Renewable Energy	505	1,118	631,357	362,133

**Table 5. Environmental Benefits of the Renewable Energy Projects Funded by the 2<sup>nd</sup> Green Bond**

Category	Installed Capacity (MW)	Annual power generation (GWh)	Total estimated CO <sub>2</sub> emission reduction (tCO <sub>2</sub> e/y)	Estimated CO <sub>2</sub> emission reduction generated by green bond proceeds (tCO <sub>2</sub> e/y)
Renewable Energy	896	2,753	1,335,858	361,791

By referring to the *UNFCCC CDM Methodology - ACM0002: Grid-connected Electricity Generation from Renewable Sources*<sup>3</sup>, CGNPC International Limited evaluated the environment benefits of wind farm projects and solar power projects funded by the net proceeds. As of 30 November 2018, the total estimated CO<sub>2</sub> emission reduction and the estimated CO<sub>2</sub> emission reduction generated by green bonds proceeds are 1,967,215 tCO<sub>2</sub>e/y and 723,924 tCO<sub>2</sub>e/y.

**CGNPC International Limited**

**18 January 2019**

<sup>3</sup> <http://cdm.unfccc.int/methodologies/DB/VJI9AX539D9MLOPXN2AY9UR1N4IYGD>