

China Yangtze Power Co., Ltd.
Information for the 2022 Annual General
Meeting of Shareholders

May 2023

Proposal 1

Work Report on the Board of Directors of the Company in 2022

Dear shareholders and shareholders' representatives:

Now, we would like to give a work report on the Board of Directors of the Company in 2022. And after being deliberated and adopted by the Board of Directors, this report will further be submitted to the Annual General Meeting of Shareholders of the Company for deliberation.

I. Operating Results during the Reporting Period

In 2022, the four power stations owned by the Company, namely Xiluodu, Xiangjia Dam, Three Gorges and Gezhou Dam, completed an annual power generation of 185.581 billion kWh, a year-on-year decrease, due to factors such as extreme drought of the incoming water from the Yangtze River. They achieved the total revenue of RMB56.228 billion, the total profit of RMB26.313 billion, the net profit of RMB21.649 billion, and the net profit attributable to the parent company of RMB21.309 billion.

By the end of 2022, the Company had the total assets of

RMB327.268 billion, the total liabilities of RMB131.514 billion and the net assets of RMB195.754 billion. At the end of 2022, its asset-liability ratio was 40.19%, a decrease of 1.90 percentage points compared with that in the beginning of the year, indicating an excellent financial condition. During the year, the major asset restructuring of Wudongde Hydropower Station and Baihetan Hydropower Station was reviewed and unconditionally approved by the China Securities Regulatory Commission (CSRC), and their equity delivery was successfully completed in January 2023. Also in the same year, the total installed capacity of the Company increased from 45.595 million kW to 71.795 million kW, an increase of about 58%, thus achieving leap-forward development.

II. Main Work during the Reporting Period

(1) Fulfill responsibilities wholeheartedly and control strategic risks well

In 2022, the Board of Directors held a total of 16 meetings in strict accordance with the “Articles of Association of the Company”, the “Rules of Procedure of the Board of Directors”, etc., during which it deliberated and adopted 87 proposals, and also made decisions on major issues such as major asset

restructuring, annual financial statements and budgets, annual profit distribution and senior executive appointment of Wudongde Power Station and Baihetan Power Station. All the directors were highly responsible and conscientious in fulfilling their responsibilities, carefully deliberating each proposal, expressing clear opinions and making constructive suggestions, thus effectively fulfilling their responsibilities of “setting strategies, making decisions and preventing risks”.

Such special committees under the Board of Directors gave full play to their professional functions by holding 11 meetings to deliberate and adopt 35 proposals. In the course of duty performance, the Strategy and ESG Committee made a comprehensive evaluation around the completion status of the Company’s “14th Five-Year Plan” objectives, core indicators and major tasks, and put forward targeted countermeasures on the basis of in-depth analysis of future situations and risks; the Audit Committee took maximum advantage of its functions in examination and supervision to maintain close exchanges with internal and external audit institutions and to give guidance on the Company’s financial audit, internal control audit and other significant work; and the Remuneration and Assessment Committee carefully examined the remuneration assessment

scheme for senior executives and the total salary scheme for employees, so as to ensure that the schemes were scientific and reasonable and the incentive and restraint effects were sufficient. During the Reporting Period, the directors of the Company received regular reports on topics such as production and operation and key work progress by means of on-site + video, and conducted a lot of online surveys and discussions. Besides, the directors brought forward a number of significant guiding opinions on further improving the authorization system of the Board of Directors, strengthening compliance and risk management, upgrading the corporate system, etc.

(2) Carefully plan and complete the renewal of the Board of Directors

In 2022, the Board of Directors and the special committees of the Company successfully completed their renewal. After careful planning, sufficient communication and thorough organization, all the links were connected in an orderly manner and the renewal went smoothly. The new board members are assigned in a comprehensive and professional way, covering business management, finance and banking, investment management, human resources, energy strategy and other fields. Currently, the Board of Directors of the Company consists of 13

directors, under which there are four special committees, i.e. the Strategy and ESG Committee, the Audit Committee, the Remuneration and Assessment Committee and the Nomination Committee, among which the Audit Committee, the Remuneration and Assessment Committee and the Nomination Committee are all composed of independent directors, thus ensuring the objectivity and independence of relevant work. In the future, the Company will further strengthen the performance guarantee of independent directors and other directors in line with the “Opinions on the Reform of Independent Director System of Listed Companies” as recently printed and issued by the General Office of the State Council and the detailed arrangements and requirements to be introduced by relevant ministries and commissions.

(3) Make scientific decisions and complete major asset restructuring

On the occasion when the asset acquisition conditions of both Wudongde Hydropower Station and Baihetan Hydropower Station permit, the Three Gorges Group and the Yangtze Power promptly launched the major asset restructuring which involved assets up to RMB300 billion, making it one of the largest M&A projects in the global capital market in the recent five years. The

restructuring has fully followed the “Guiding Opinions on Deepening the Reform of State-owned Enterprises” released by the CPC Central Committee and the State Council and the “Notice on Encouraging Mergers and Reorganizations, Cash Dividends and Share Repurchases by Listed Companies” released by four ministries and commissions including the CSRC and the State-owned Assets Supervision and Administration Commission, and it is an important measure for the controlling shareholder, the Three Gorges Group, to fulfill its commitments, with the plan taking into account the interests of all parties and being highly recognized by the capital market.

In the supporting financing stage at the later restructuring, a total of RMB16.097 billion (corresponding to 804 million shares issued) was raised, and the final issue price was RMB20.01 per share, which was 99.16% of the closing price of the previous day (RMB20.18 per share) and 95% of the average price of the previous 20 days (RMB21.08 per share), basically achieving the “parity” issue and making it the project with the lowest discount for price inquiry and fixed increase in the A-share market of over RMB3 billion in the past three years. The total subscription size of the offer was RMB57.518 billion, with a coverage multiple of 3.57 times, thus being the highest multiple for price

inquiry and fixed increase in the A-share market of over RMB10 billion in the past three years. After raising sufficient funds to repay debts, it will help the Company control its asset-liability ratio, reduce financial expenses and guarantee earnings per share.

After the restructuring, the Company will own all the power generation assets of six cascade hydropower stations along Wudongde - Gezhou Dam on the main stream of the Yangtze River, thus greatly improving business scale and installed capacity of the Company, enhancing its asset quality and profitability, intensifying its net profits and earnings per share, and meeting the interests of the Company and all its shareholders. By implementing joint scheduling against six hydropower stations, it will further leverage the comprehensive benefits of cascade power stations and consolidate the Company's leading position as the global largest listed hydropower company.

(4) Keep promises and share the achievements of enterprise development

According to the Articles of Association, the cash dividends would be paid at no less than 70% of the net profit realized in that year from 2021 to 2025. During the Reporting Period, the

Board of Directors publicly solicited the opinions of investors, scientifically formulated the profit distribution plan for 2021 and implemented it in July 2022, paying a cash dividend of RMB0.8153 (including tax) per share, totaling RMB18.541 billion (including tax) in terms of cash dividends and accounting for 70.57% of the net profit attributable to the parent company for the year, thus making the Company rank among the top in the industry.

Combining with the asset restructuring arrangements of both Wudongde Hydropower Station and Baihetan Hydropower Station, the Company intends to distribute the consolidated net profit attributable to owners of the parent company achieved from February to December 2022 to these shareholders enjoying distribution rights in a 100% proportion for the profit distribution in 2022. The dividend yield of the Company for the year was about 4%, and the dividend payout rate exceeded 90%, both of which were far higher than the average level of the top 50 listed companies according to the A-share market value and the listed companies in the power industry.

Since its listing, the Company has insisted on distributing cash dividends every year, with a total dividend amount of RMB143.78 billion (excluding 2022) and a dividend rate in

excess of 60% for a long time, thus providing shareholders with sustained good returns, becoming a model of high-rate dividends among listed companies, winning wide praise from the capital market, and receiving awards like “Best Listed Company in Terms of Shareholder Return” for many times.

(5) Strengthen operating foundation and enhance compliance management

The Board of Directors gives full play to its leading role in obeying the rule of law, fully penetrates the rule of law into its key tasks such as consummating the modern enterprise system with Chinese characteristics, and deepening the reform of mixed ownership, scientific and technological innovation and international operation, fulfills itself the role of support and guarantee, strengthens the rule of law and compliance system, and appoints full-time general counsel and chief compliance officer to manage its rule of law, compliance, risk control and other related work as a whole. It carries out the institutional arrangement for the general counsel as an executive to attend or participate in these significant meetings organized by the Board of Directors and the General Manager, and takes legal compliance review and major risk assessment as the necessary pre-procedures for major decisions of the Company.

During the Reporting Period, based on construction arrangements and actual situations of the Company, the Board of Directors revises multiple corporate governance systems or plans including the “Rules of Procedure for the Nomination Committee under the Board of Directors”, the “Authorization Decision Plan of the Board of Directors” and the “Rules of Procedure for the General Manager”, thus further improving the Company’s decision-making mechanism, making the boundary of rights and liabilities clearer, and further consolidating the foundation for standardized management and quality development.

(6) Standardize information disclosure and protect investors’ right to know

In 2022, the Board of Directors exerted itself to improve the quality of information disclosure and effectively protect investors’ right to know. In terms of disclosure methods, besides compliance disclosure, it intensified active information disclosure in connection with investors’ concerns. In terms of disclosure contents, it strove to be concise and easy to understand, while highlighting key points. In terms of disclosure time, it strove to be quick, rigorous, realistic and pragmatic. It fully utilized channels such as hotline, official microblog and

WeChat groups to communicate with investors, adhered to the strategy of combining “inviting in” and “going out”, actively carried out roadshow and anti-roadshow activities, and expanded interaction channels.

After GDR issue, the Company fully studied and drew on the information disclosure model of global benchmark enterprises, actively communicated with foreign lawyers and accountants, absorbed the latest information disclosure requirements and concepts, quickly adapted to the differences in laws, regulations and policies between China and the UK, as well as ensured synchronous and consistent disclosure, and guaranteed international and domestic investors to enjoy the right to know equally. In the future, the Company will further improve its ESG information disclosure system.

III. Work Plan and Objectives for 2023

The year of 2023 is the opening year to implement the spirit of the 20th National Congress of the Communist Party of China, a crucial year to carry out the 14th Five-Year Plan, and also an significant year to lay a foundation for building a modern socialist country in an all-round way. For Yangtze Power, this year marks the beginning for the global largest clean energy

corridor to give full play to its comprehensive benefits and for the Company to usher in great opportunities for its high-quality development. So, doing a good job in the year is of great significance and will exert a long-term impact.

In 2023, the Company aims to achieve a total power generation of 306.4 billion kWh based on its six cascade power stations and a revenue of RMB81.39 billion throughout the year (which is the Company's business objective rather than a performance commitment). Meanwhile, the Company will strive to achieve the safety production goal of "zero personal casualty accident and zero equipment accident".

We hereby submit all of the above for deliberation.

Proposal 2

Work Report on the Board of Supervisors of the Company in 2022

Dear shareholders and shareholders' representatives:

Since the year of 2022 was a crucial year for implementing the “14th Five-Year Plan”, during the Reporting Period, the Board of Supervisors of the Company strictly performed its supervisory duties and earnestly safeguarded legitimate rights and interests of the shareholders, the Company and the employees pursuant to the Company Law, the Securities Law as well as other relevant laws and regulations, and according to the Articles of Association, the “Rules of Procedure of the Board of Supervisors” as well as other rules and regulations. In 2022, the Board of Supervisors of the Company won the “Active and Enterprising Award among the Board of Supervisors of Listed Companies” as granted by China Association of Public Companies. Now, we would like to give a work report on the Board of Supervisors in 2022 and the work plan for 2023:

Part I Work of the Board of Supervisors in 2022

I. Overall Status of the Board of Supervisors

In March 2022, according to relevant provisions of the Company Law and the Articles of Association, the Board of Supervisors of the Company completed its renewal and elected Mr. Zeng Yi as the Chairman. So far, the Company owns 8 members of the Board of Supervisors, including 3 employee representative supervisors, with the number of employee representative supervisors meeting the provisions of the Company Law and the Articles of Association, i.e. “the number of supervisors served by employee representatives shall not be less than one third of the total number of supervisors”.

II. Operation of Working Mechanism of the Board of Supervisors

The Board of Supervisors of the Company operated in strict accordance with the relevant provisions of the “Corporate Governance Guidelines for Listed Companies”, the “Articles of Association of the Company” and the “Rules of Procedure of the Board of Supervisors”, held meetings of the Board of Supervisors to deliberate relevant proposals, attended the general meetings of shareholders and the meetings of the Board of Directors as convened by the Company, participated in the deliberation of major decisions involved the Company, supervised the performance of duties of directors, general

manager and other senior executives, grasped the operation and management of the Company by conducting special research, etc., as well as made suggestions for standardized operation and reforming development of the Company, thus better fulfilling its supervisory duties.

III. Annual Proceedings of the Board of Supervisors

In 2022, the Board of Supervisors held a total of 7 meetings (including 5 on-site meetings and 2 communication meetings), during which it deliberated and adopted 26 key topics such as the restructuring plan of Wudongde Power Station and Baihetan Power Station, the 2022 annual financial budget report and the 2022 semi-annual report. The Board of Supervisors attended 3 general meetings of shareholders and 16 meetings of the Board of Directors, during which it supervised the resolution process of major issues such as major business decisions, major asset acquisitions, investment (financing) and regular financial reports. Meanwhile, the Board of Supervisors conducted special investigations on the audit of the Company, supervised the problems found in the audit and the subsequent rectifications, established a normalized tracking and supervision mechanism, and effectively exerted its supervisory function.

We hereby submit all of the above for deliberation.

Proposal 3

Profit Distribution Plan of the Company in 2022

Dear shareholders and shareholders' representatives:

In 2022, the consolidated net profit attributable to owners of the parent company was RMB21,309,033,980.94, which would be distributed according to the following principles:

I. The distribution is carried out in the statutory order stipulated in the Company Law, the Articles of Association and the “Accounting Policies and Accounting Estimates of the Company”.

II. According to the “Report of China Yangtze Power Co., Ltd. on Issuing Shares, Paying Cash to Purchase Assets, Raising Supporting Funds and Conducting Associated Transactions”:

(1) The profits generated from the operation of Three Gorges Jinsha River Yunchuan Hydropower Development Co., Ltd. during the transitional period (i.e. from February 1, 2022 to December 31, 2022) are to be enjoyed by China Three Gorges Corporation, Yangtze Three Gorges Investment Management Co., Ltd., Yunnan Energy Investment Group Co., Ltd. and Sichuan Energy Investment Group Co., Ltd. according to their equity ratio of Three Gorges Jinsha River Yunchuan Hydropower Development Co., Ltd.;

(2) The undistributed profits accumulated before the Company issues shares to raise matching funds are to be shared by new and old shareholders of the listed company according to their shareholding ratios after the issue, but the newly added shares (921,922,425 shares in total) acquired by China Three Gorges Corporation, Yunnan Energy Investment Group Co., Ltd. and Sichuan Energy Investment Group Co., Ltd. through such asset purchase will not enjoy the profits available to shareholders for distribution as realized by the Company during the transitional period (i.e. from February 1, 2022 to December 31, 2022).

III. The specific plan for profit distribution in 2022 is as follows:

(1) As the accumulated legal accumulation fund of the Company has reached 50% of the registered capital of the Company, it will not be accrued this year.

(2) No provision for optional accumulation fund will be made this year.

(3) Concerning distribution of dividends to shareholders:

1. From February 1, 2022 to December 31, 2022, the consolidated net profit attributable to owners of the parent company was RMB20,092,277,840.10, which will be distributed to the shareholders enjoying distribution rights in a 100% proportion. That is, concerning the 22,741,859,230 shares held by the old shareholders of Wudongde Hydropower Station and Baihetan Hydropower Station before major asset restructuring and the 804,436,061 shares issued by the Company to 19

specific objects during its share issue to raise matching funds, a cash dividend of RMB8.533 (including tax) will be distributed for every 10 shares; and concerning the 921,922,425 shares acquired by China Three Gorges Corporation, Yunnan Energy Investment Group Co., Ltd. and Sichuan Energy Investment Group Co., Ltd. through such asset purchase, no cash dividend will be distributed.

2. From January 1, 2022 to January 31, 2022, the consolidated net profit attributable to owners of the parent company was RMB1,216,756,140.84, which will be reserved for future years.

Summary of Profit Distribution Plan of the Company in 2022

	All Year Around	January 2022	February to December 2022
Net profit attributable to owners of the parent company in the consolidated financial statements (in RMB)	21,309,033,980.94	1,216,756,140.84	20,092,277,840.10
Agreement on dividends in the report on major asset restructuring	-	Owned by the holders of 24,468,217,716 shares	Owned by the holders of 23,546,295,291 shares
Dividend payment (in RMB)	20,092,277,840.10	0	8.533 per 10 shares
Dividend ratio	94.29%	0%	100%

(4) After this profit distribution, the undistributed profits will be reserved for future years. There will be no capital accumulation

fund conversion to share capital for 2022.

We hereby submit all of the above for deliberation.

Proposal 4

Annual Report of the Company in 2022

Dear shareholders and shareholders' representatives:

The Company has prepared its 2022 annual report and the corresponding summary in accordance with the requirements of the “Guidelines on the Content and Format of Information Disclosure by the Companies Issuing Public Securities No.2 - Content and Format of Annual Reports” (revised in 2021) released by the CSRC, the “Notice on Doing a Good Job in the Disclosure of 2022 Annual Report by Listed Companies on the Main Board” released by the Shanghai Stock Exchange, as well as other similar documents.

We hereby submit all of the above for deliberation.

Proposal 5

Report on the Financial Statements in 2022 and the Budgets for 2023 of the Company

Dear shareholders and shareholders' representatives:

Now, we would like to give a work report on the financial statements in 2022 and the budgets for 2023.

Part I Report on the Financial Statements in 2022

I. Power Generation for Production

Due to factors such as extreme drought of the incoming water from the Yangtze River in the second half of 2022, the four power stations owned by the Company completed the power generation up to 185.581 billion kWh in 2022, representing a year-on-year decrease of 22.741 billion kWh and a drop of 10.92%. Among them: the power generation of Three Gorges Power Station was 78.79 billion kWh, representing a year-on-year decrease of 24.859 billion kWh and a drop of 23.98%; that of Gezhou Dam Power Station was 17.434 billion kWh, representing a year-on-year decrease of 1.822 billion kWh and a drop of 9.46%; that of Xiluodu Power Station was 57.804 billion kWh, representing a year-on-year decrease of 2.449

billion kWh and a drop of 4.42%; and that of Xiangjia Dam Power Station was 31.553 billion kWh, representing a year-on-year decrease of 1.49 billion kWh and a drop of 4.96%.

II. Main Operating Results

In 2022, the Company achieved the total revenue of RMB56.228 billion, representing a year-on-year decrease of RMB5.227 billion and a drop of 8.51%; the total costs and expenses of RMB29.915 billion, representing a year-on-year increase of RMB869 million and a rise of 2.99%; the total profit of RMB26.313 billion, representing a year-on-year decrease of RMB6.096 billion and a drop of 18.81%; the net profit of RMB21.649 billion, representing a year-on-year decrease of RMB4.836 billion and a drop of 18.26%; the net profit attributable to the parent company of RMB21.309 billion, representing a year-on-year decrease of RMB4.964 billion and a drop of 18.89%; as well as the earnings per share of RMB0.9370, representing a year-on-year decrease of RMB0.2183 and a drop of 18.89%.

Table of Main Performance Indicators in 2022

Unit: RMB Hundred Million; %

Item	Budget for the Year	Actual for the Period	Same Period Last Year	Year-on-year Increase/Decrease Amount	Year-on-year Increase/Decrease Rate	Budget Completion Rate
1. Total revenue	637.52	562.28	614.55	-52.27	-8.51%	88.20%
2. Total costs and expenses	322.44	299.15	290.46	8.69	2.99%	92.78%
3. Total profit	315.08	263.13	324.09	-60.96	-18.81%	83.51%
4. Net profit	257.06	216.49	264.85	-48.36	-18.26%	84.22%
5. Net profit attributable to the parent company	254.06	213.09	262.73	-49.64	-18.89%	83.87%
6. Earnings per share (in RMB)	1.1171	0.9370	1.1553	-0.2183	-18.89%	83.87%

(1) Revenue

In 2022, the Company achieved the total revenue of RMB56.228 billion (including operating income, investment income, income on changes in fair value, other income, income on asset disposal and non-operating income), representing a year-on-year decrease of RMB5.227 billion, among which:

The income on domestic large-scaled hydropower was RMB44.72 billion, representing a year-on-year decrease of RMB4.974 billion, which was mainly due to the year-on-year decrease in power generation and sales.

The income on domestic investment was RMB4.28 billion, representing a year-on-year decrease of RMB681 million, which was mainly due to fluctuations in the fair value of financial assets held.

The income on international transactions was RMB7.086 billion, representing a year-on-year increase of RMB380 million, which was mainly due to double rise in the power distribution and sales of Luders Company in Peru.

(2) Cost

In 2022, the total costs and expenses of the Company amounted to RMB29.915 billion (including operating costs, taxes and surcharges, sales expenses, management expenses, R&D expenses, financial expenses, losses on asset impairment, losses on credit impairment and non-operating expenses), representing a year-on-year increase of RMB869 million, which was mainly due to rise in the power distribution and sales of Luders Company in Peru and the rise in the unit price of power purchase.

III. Major Assets and Liabilities

At the end of 2022, the total assets of the Company amounted to RMB327.268 billion, representing a decrease of RMB1.295 billion and a drop of 0.39% compared with those in the

beginning of the year; the total liabilities amounted to RMB131.514 billion, representing a decrease of RMB6.761 billion and a drop of 4.89% compared with those in the beginning of the year; and the net assets amounted to RMB195.754 billion, representing an increase of RMB5.466 billion and a rise of 2.87% compared with those in the beginning of the year. The Company has continuously strengthened the control over its asset-liability ratio and enhanced its risk resistance ability. At the end of 2022, its asset-liability ratio was 40.19%, a decrease of 1.90 percentage points compared with that in the beginning of the year, indicating a good financial condition.

Table of Main Asset-Liability Indicators in 2022

Unit: RMB Hundred Million; %

Item	Closing Amount	Opening Amount	Increase/Decrease Amount	Increase/Decrease Rate
1. Total assets	3,272.68	3,285.63	-12.95	-0.39%
2. Total liabilities	1,315.14	1,382.75	-67.61	-4.89%
3. Net assets	1,957.54	1,902.88	54.66	2.87%
4. Asset-liability ratio	40.19%	42.08%	-1.90%	-4.51%

(1) Assets

The total assets of the Company at the end of the period amounted to RMB327.268 billion, representing a decrease of

RMB1.295 billion compared with those in the beginning of the year, among which:

The properties and materials amounted to RMB237.633 billion (including inventories, investment real estates, fixed assets, construction in progress, intangible assets, development expenditures and right-of-use assets), accounting for 72.61%. The characteristics of asset-intensive industries were relatively prominent, with the domestic large-scaled hydropower assets up to RMB202.569 billion and the overseas assets of power distribution and sales up to RMB34.714 billion.

The investment assets amounted to RMB73.226 billion (including long-term equity investments, other equity instrument investments, other non-current financial assets, debt investments, etc.), accounting for 22.37%, representing an increase of RMB3.481 billion compared with those in the beginning of the year, which was mainly due to the investment in Gansu Electric Power Investment Group Co., Ltd., SDIC Power Holding Co., Ltd., Ningxia Jiaze New Energy Co., Ltd. and other projects.

Other assets amounted to RMB16.409 billion, accounting for 5.02%. The main items involved the monetary funds of RMB9.302 billion, the receivables and prepayments of RMB5.297 billion, and the goodwill of RMB1.081 billion.

(2) Liabilities

The total liabilities of the Company at the end of the period amounted to RMB131.514 billion, a decrease of RMB6.761 billion compared with those in the beginning of the year. Among them:

The balance of interest-bearing liabilities amounted to RMB113.412 billion, accounting for 86.24%, representing a decrease of RMB3.068 billion compared with that in the beginning of the year, which was mainly due to debt repayment.

The short-term payables amounted to RMB14.279 billion (including notes payable, accounts payable, other payables, contract liabilities, taxes and fees payable and employee benefits payable), accounting for 10.86%, representing a decrease of RMB4.869 billion compared with those in the beginning of the year, which was mainly due to the payment of project funds due.

Other liabilities amounted to RMB3.823 billion, accounting for 2.90%. The main items involved deferred income tax liabilities of RMB2.138 billion and the lease liabilities of RMB621 million.

IV. Cash Flows in 2022

In 2022, the balance of cash and cash equivalents of the Company at the beginning of the period amounted to RMB9.925 billion, and the balance of cash and cash equivalents at the end of the period amounted to RMB9.302 billion, with a net

decrease of RMB623 million in the current period, including RMB30.913 billion in net cash flow from operating activities, RMB-4.093 billion in net cash flow from investment activities, RMB-27.584 billion in net cash flow from financing activities, and RMB142 million in impact of exchange rate changes.

The cash inflows and outflows were as follows:

The total cash inflows in the current period amounted to RMB235.344 billion, mainly including RMB58.948 billion in cash received from sales of commodities and provision of services, RMB114.4 billion in cash received from investment recovery, and RMB59.673 billion in cash received from acquisition of borrowings.

The total cash outflows in the current period amounted to RMB236.109 billion, mainly including RMB9.758 billion in cash paid for purchase of commodities and acceptance of labor services, RMB3.119 billion in cash paid for and on behalf of employees, RMB14.723 billion in cash paid for various taxes and fees, RMB4.871 billion in cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets, RMB115.432 billion in cash paid for investment, RMB52.595 billion in cash paid for debt repayment, RMB22.544 billion in cash paid for dividends, profits and

interest payment, and RMB12.145 billion in cash paid for other financing activities.

The financial statements for 2022 of the Company have been audited by Da Hua Certified Public Accountants (Special General Partnership) and a standard unqualified audit report has been issued by it.

Part II Report on the Financial Budgets for 2023

The financial budget arrangements of the Company for 2023 mainly center on the general idea of high-quality development during the “14th Five-Year Plan”, insist on strategic guidance, focus on value orientation, strive to achieve effective improvement in quality and reasonable growth in quantity, as well as actively boost the main production and operation indicators to a new level. The Company aims to achieve a total power generation of 306.4 billion kWh based on its six cascade power stations and a revenue of RMB81.39 billion throughout the year (which is the Company’s business objective rather than a performance commitment).

The above report only demonstrates internal business management direction of the Company but does not represent a profit forecast for 2023 or a commitment to

investors. Whether it can be achieved depends on various factors such as water supply conditions and market environment. Hence, investors are kindly advised to attach importance to investment risks.

We hereby submit all of the above for deliberation.

Proposal 6

Proposal on Engaging an Auditor for Financial Report for 2023

Dear shareholders and shareholders' representatives:

Da Hua Certified Public Accountants (Special General Partnership) (hereinafter referred to as Da Hua) is a large-scale accounting firm recommended by the Ministry of Finance and the China Securities Regulatory Commission to engage in the audit of A-share and H-share enterprises. It owns a license for securities and futures related business, ranks 7th in the comprehensive evaluation of accounting firms by the China Institute of Certified Public Accountants in 2021, and possesses the experience and ability to render professional auditing services for the Company. During the period when Da Hua acted as auditor of the Company for 2022, it diligently and conscientiously performed its duties and completed the audit of various financial statements with high quality, providing better professional services for the Company to disclose relevant accounting information in a timely, accurate and complete manner.

With a view to ensuring audit continuity, the Company intends

to reengage Da Hua as the auditor of itself and its subsidiaries in 2023 to take charge of the audit of its financial report in the year and other services as agreed in the contract, with a term of 1 year and the audit fee of RMB3.25 million. Cost composition: The audit fee for the previous annual audit scope was RMB3.05 million, and the audit fee for the new audit scope in 2023 is RMB0.2 million.

We hereby submit all of the above for deliberation.

Proposal 7

Proposal on Engaging an Auditor for Internal Control for 2023

Dear shareholders and shareholders' representatives:

Subject to the regulatory requirements for listed companies, the Company should engage an accounting firm to audit the internal control over financial report and issue an audit report on internal control every year, and the engaged accounting firm should have the qualifications in terms of securities and futures.

From 2021 to 2022, upon deliberation and adoption by the Board of Directors and the General Meeting of Shareholders, the Company engaged Pan-China Certified Public Accountants (Special General Partnership) to audit effectiveness of the internal control over annual financial report of the Company.

According to the Articles of Association, the auditor will be appointed on a yearly basis. After the normative procurement process, it is suggested to continue to engage Pan-China Certified Public Accountants (Special General Partnership) as the auditor for internal control of the Company and its subsidiaries in 2023, with a term of 1 year and the audit fee of RMB0.3816 million (which is consistent with the contract

amounts for previous years).

We hereby submit all of the above for deliberation.

Proposal 8

Proposal on Carrying out Short-term Fixed-income Investments for 2023

Dear shareholders and shareholders' representatives:

For the purpose of fully improving the efficiency of fund utilization and increasing investment income, the Company proposes to continue using its idle funds to carry out short-term fixed-income investments on the premise of ensuring the safety, legality and compliance of funds and guaranteeing the fund demands for normal production and operation of the Company.

The details are as follows:

I. Basic Information

(1) Investment purpose

According to its business development, the Company needs to reserve a portion of its capital position for production, operation and foreign investment, during which temporary idle funds may occur. With a view to revitalizing the existing reserve funds and the sporadic investment balance in securities accounts, and improving the short-term utilization efficiency of funds, the Company proposes to use its idle funds to carry out short-term fixed-income investments without affecting its own normal operation, so as to intensify capital gains.

(2) Source of funds

The funds used by the Company for short-term fixed-income investments are its temporarily idle self-owned funds.

(3) Investment varieties, duration and amount

The short-term fixed-income investments to be carried out by the Company includes bond reverse repo and other fixed income product investments. The duration of a single bond investment shall not exceed 30 days. The varieties of bonds include government bonds, central bank bills, policy financial bonds and other AAA-rated bonds; and the duration of a single other fixed-income product should either not exceed 30 days, with these principal-guaranteed products with high security, good liquidity and low risk preferred.

The short-term fixed-income investments are to be managed on a balance basis, with the carrying amount not exceeding RMB3 billion while being consistent with the previous year.

II. Risk Control Measures

(1) In the principle of safeguarding the interests of both the shareholders and its own, the Company places the highest priority on risk prevention, and makes strict checks and prudent decisions in terms of the qualifications of financial institutions, the types of product returns and the liquidity of funds.

(2) In the principle of separating decision-making, execution and supervision, the Company establishes and improves the approval and execution procedures for short-term fixed-income investments to ensure standardized operations.

III. Impact on the Company

(1) The Company uses its temporary idle self-owned funds to carry out short-term fixed-income investments on the premise of ensuring its own daily operations and the safety and compliance of funds, but not affecting the normal turnover of funds and the conduct of primary business.

(2) In 2022, the Company used idle funds to carry out reverse repo of government bonds, and realized an investment income of RMB16.11 million, with an annualized rate of return of about 1.80%, which was higher than the bank demand deposit interest rate in the same period. In 2022, the average daily balance of the short-term fixed-income investments of the Company amounted to about RMB927 million, accounting for 9.97% of the balance of monetary funds of the Company (RMB9.302 billion) as at December 31, 2022.

IV. Matters for Approval

The general meeting of shareholders is requested to approve the Company's short-term fixed-income investments for 2023, and authorize the general manager of the Company to implement them within the above-mentioned balance, which are valid for one year from the date when this proposal is deliberated and adopted by the general meeting of shareholders.

We hereby submit all of the above for deliberation.

Proposal 9

Proposal on Guarantee Plan of the Company for 2023

Dear shareholders and shareholders' representatives:

With a view to facilitating business development, giving full play to the advantages of credit rating, enhancing financing efficiency, reducing financing costs and standardizing external guarantee, and meanwhile in line with the “Notice on Strengthening the Administration of Financing Guarantee of Central Enterprises” (GZFCPG [2021] No.75) and the “Execution Plan for Implementing Powers and Functions of the Board of Directors” deliberated and adopted at the 31st meeting of the 5th session of the Board of Directors of the Company, the annual guarantee plan has been included in the budget management, and the external guarantee plan of the Company for 2023 has been formulated. The details are as follows:

I. Arrangement of external guarantee plan

By the end of 2022, the external guarantee balance of the Company amounted to RMB198 million, including RMB161 million provided by the Company to its participating company, i.e. Hunan Taohua River Nuclear Power Co., Ltd., in proportion to its shareholding, and RMB37 million provided by its

subsidiary, i.e. Three Gorges Electric Power Co., Ltd., to its participating company, i.e., Yangtze Smart Distributed Energy Co., Ltd., in proportion to its shareholding. The guarantee balance accounted for 0.10% of the consolidated net assets, and the Company did not have any overdue external guarantee.

According to its investment and financing plan and in combination with the necessity of project financing guarantee, in 2023, the Company expects to add external guarantee up to RMB2.462 billion (or in equivalent foreign currency, the same below) for the financing and business performance of its subsidiaries and participating companies; it is estimated that the external guarantee will be reduced by RMB161 million; and the balance of external guarantee by the end of 2023 is expected to not exceed RMB2.499 billion, as follows:

(1) Considering that China Yangtze Power International (Hong Kong) Co., Ltd., a wholly-owned subsidiary of the Company, intends to conduct overseas investment and M&A and aims to reduce overseas financing costs, the Company plans to provide it with a financing guarantee of RMB2.44 billion (i.e. USD350 million as converted at the exchange rate of 6.97), which can reduce the financing cost by nearly 60-70 basis points (BP) and save financial expenses by about RMB15-17 million annually.

(2) Three Gorges Electric Energy Co., Ltd., a holding subsidiary

of the Company, plans to provide a guarantee of RMB22 million for its participating company, i.e. Yangtze Smart Distributed Energy Co., Ltd., according to its shareholding ratio due to financing needs of its participating company's smart comprehensive energy and other projects.

The above guarantee methods are all only securities; and the actual guarantee amount is subject to the finally concluded guarantee contract based on the principle of non-occurrence in case of non-necessity. Meanwhile, after the guaranteed loans of Hunan Taohua River Nuclear Power Co., Ltd., a participating company of the Company, are gradually due and repaid within this year, the external guarantee amount of the Company will decrease by RMB161 million.

Please refer to the following table for details of the guarantor and the guarantee amount, and refer to the Attachment for basic information about the guaranteed.

List of Guarantee Plans for 2023

Unit: RMB

Hundred Million

No.	The Guarantor	The Guaranteed	Guarantee Amount
Guarantee balance at the end of 2022			1.98
I. Guarantee for wholly-owned subsidiaries			24.40
1	China Yangtze Power Co.,	China Yangtze Power International	24.40

	Ltd.	(Hong Kong) Co., Ltd.	
2. Guarantee for participating companies			-1.39
2	Three Gorges Electric Energy Co., Ltd.	Yangtze Smart Distributed Energy Co., Ltd.	0.22
3	China Yangtze Power Co., Ltd.	Hunan Taohua River Nuclear Power Co., Ltd.	-1.61
Estimated guarantee balance at the end of 2023			24.99

II. Principles of External Guarantee and Risk Control

(1) The external guarantee follows the principles of legality, fairness, integrity and prudence.

(2) The Company reasonably determines the scale of financing guarantee subject to its own financial affordability. In principle, the total scale of financing guarantee shall not exceed 40% of the consolidated net assets of the Company, and the amount of financing guarantee of the parent company and any single subsidiary shall not exceed 50% of the net assets of the Company.

(3) The Company and its subsidiaries are strictly forbidden to provide any form of guarantee to these enterprises without equity relationship. Any external guarantee provided by a subsidiary shall be reported to the Company for unified examination and approval.

(4) The Company and its subsidiaries provide guarantees to subsidiaries and participating companies in strict accordance with the shareholding ratio, and it is strictly forbidden to provide any guarantee exceeding the shareholding ratio to participating

companies. The guarantee for participating companies should be clearly defined as general guarantee.

(5) In case of any guarantee involved, the financial and legal departments, etc. shall be organized to carry out risk assessment in a timely manner to demonstrate the necessity and feasibility of such external guarantee. It shall establish an external guarantee ledger and a tracking and monitoring system to continuously track and supervise the operation and financial status of the guaranteed; and shall achieve early detection, early warning and early reporting for abnormal situations and problems.

III. Matters Submitted for Deliberation

(1) The general meeting of shareholders is requested to agree to the above-mentioned external guarantee plan for 2023.

(2) It is suggested to authorize the general manager of the Company to sign guarantee-related agreements and other necessary documents within the amount of the above guarantee plan, which are valid for one year from the date when this proposal is deliberated and adopted by the general meeting of shareholders. If it is beyond the scope of the above guarantee plan, the examination and approval procedures shall be performed separately.

We hereby submit all of the above for deliberation.

Proposal 10

Proposal on Investment Plan of the Company for 2023

Dear shareholders and shareholders' representatives:

In 2023, the Company will continue to leverage its own advantages, keep an eye on the changes in capital market and industrial policies, insist on strategic guidance, center on value creation, stick to its main responsibility and primary business, adhere to the investment strategy of “low risk and stable income”, actively and steadily invest in new energy bases, pumped storage and other sectors, consolidate hydropower investment, focus on the industrial value chain of new power system, select quality upstream and downstream investment targets in the industrial chain, as well as intensify the allocation of quality assets.

In 2023, it is estimated that the total foreign investment of the Company will amount to about RMB34.252 billion (excluding the transaction price of asset restructuring of Wudongde Power Station and Baihetan Power Station), including the fixed asset investment of about RMB24.087 billion (including technological transformation and non-productive investment)

and the equity investment of about RMB10.165 billion.

The Company will center on the following key tasks to carry out investment: **Firstly**, complete the major asset restructuring of Wudongde Hydropower Station and Baihetan Hydropower Station. **Secondly**, focus on the “water, wind, light and storage” multi-energy complementarity, invest in new energy bases and pumped storage projects in an orderly manner, and steadily promote the high-quality development of new business sectors. **Thirdly**, continue to track the follow-up investment opportunities of key strategic targets and steadily intensify investment efforts. **Fourthly**, actively promote scientific and technological innovation and investment in industrial chain extension, and actively carry out forward-looking research around the upstream and downstream industrial chains. **Fifthly**, expand international clean energy prudently and steadily, and acquire overseas high-quality resources. **Sixthly**, cultivate the core development capability of smart integrated energy, vigorously promote a variety of new formats and models, and intensify resource acquisition efforts.

We hereby submit all of the above for deliberation.

Proposal 11

Proposal on Revising the “Management System for Raised Funds” of the Company

Dear shareholders and shareholders’ representatives:

With a view to further improving the institutional systems and standardizing the management of raised funds, it is proposed to revise the “Management System for Raised Funds” in accordance with the latest regulatory requirements and in combination with the actual situations of the Company. The details are as follows:

I. Revision Background

In January 2022, the China Securities Regulatory Commission revised the “Regulatory Guidelines for Listed Companies No.2 - Regulatory Requirements for the Management and Use of Raised Funds of Listed Companies” (hereinafter referred to as the “Regulatory Requirements”), further standardizing the management and use of raised funds of listed companies and other relevant contents. In the same month, the Shanghai Stock Exchange issued the “Guidelines for Self-regulation of Listed Companies No.1 - Standardized Operation” (hereinafter referred

to as the “Guidelines”), raising clearer requirements for the management of raised funds of listed companies.

It has been more than a decade since the current “Management System for Raised Funds” of the Company was issued in 2007 and first revised in 2010. Some clauses and contents in the System no longer meet the latest regulatory requirements and thus need to be revised. Such a revision mainly follows relevant regulatory requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and the management and use of the Company’s raised funds will not exceed the statutory requirements.

II. Main Contents of System Revision

The revised system consists of 6 chapters with a total of 35 articles, including General Provisions, Storage of Raised Funds, Use of Raised Funds, Changes in Investment Direction of Raised Funds, Management and Supervision of Use of Raised Funds, and Supplementary Provisions. Such a revision follows the latest regulatory requirements, with the main revisions as follows:

Chapter I General Provisions

- (1) Refine the principles for the management of raised funds.
- (2) Clarify the duties of the Board of Directors, directors,

supervisors and senior executives in the management of raised funds.

Chapter II Storage of Raised Funds

(1) Add the new provision that “if there are more than two financings, special accounts for raised funds shall be set up separately, and over-raised funds shall also be deposited in the special account for raised funds”.

(2) Delete the provision that the Company should go through the capital verification procedures after the raised funds are available.

Chapter III Use of Raised Funds

(1) Clarify that a resolution must be made by the general meeting of shareholders if the Company changes the use of the funds listed in the issue application.

(2) Clarify that the raised funds should be used for the primary business in principle.

Chapter IV Changes in Investment Direction of Raised Funds

(1) Refine relevant provisions on changes in the use of raised funds.

(2) Simplify demonstration procedures for changes in the use of raised funds, etc.

Chapter V Management and Supervision of Use of Raised Funds

(1) Adjust the duties of the Audit Committee under the Board of Directors, as well as the financial department and the audit department in the management and supervision of the use of raised funds.

(2) Clarify the disclosure requirements in the “Special Report on Raised Funds”.

We hereby submit all of the above for deliberation.

Proposal 12

Proposal on Director By-election of the Company

Dear shareholders and shareholders' representatives:

As recommended by Sichuan Energy Investment Group Co., Ltd., a shareholder unit, it is proposed to elect Mr. Wang Hong as a director of the Company, whose term of office will start from the date of deliberation and adoption by the general meeting of shareholders and end at the expiration of the term of office of the sixth session of the Board of Directors.

As recommended by Yunnan Energy Investment Group Co., Ltd., a shareholder unit, it is proposed to elect Mr. Teng Weiheng as a director of the Company, whose term of office will start from the date of deliberation and adoption by the general meeting of shareholders and end at the expiration of the term of office of the sixth session of the Board of Directors.

We hereby submit all of the above for deliberation.

Attachment: Resumes of Mr. Wang Hong and Mr. Teng Weiheng
Wang Hong, male, born in November 1964, holds a master degree in business administration and is currently a senior accountant. He has successively served as Chief of Working Capital Section under the Budget Department of Sichuan

Provincial Department of Finance, Deputy General Manager (at the deputy director general level), Executive Deputy General Manager, Deputy Secretary of CPC, Director and Deputy General Manager of Sichuan Province State-owned Assets Investment Management Co., Ltd., Assistant General Manager and Director of the Human Resources Department of Sichuan Development Holding Co., Ltd., as well as Deputy General Manager of Sichuan Energy Investment Group Co., Ltd. He is currently serving as Chief Accountant of Sichuan Energy Investment Group Co., Ltd. (by means of market-oriented recruitment).

Teng Weiheng, male, born in January 1982, holds a master degree in economics. He has successively served as Deputy Chief Clerk of the Channel Management Department of Postal Savings Bank of China Co., Ltd., Manager of the Investment Department of Anhui Guofu Industrial Investment Fund Management Co., Ltd., Head of the Institutional Business Department of Yunnan Branch of Essence Securities Co., Ltd., as well as Deputy General Manager of the Capital Management Center (the Management Office of Directors and Supervisors) of Yunnan Energy Investment Group Co., Ltd. He is currently serving as General Manager of the Capital Management Center of Yunnan Energy Investment Group Co., Ltd.

Proposal 13

Proposal on Supervisor By-election of the Company

Dear shareholders and shareholders' representatives:

As recommended by Yunnan Energy Investment Group Co., Ltd., a shareholder unit, it is proposed to elect Mr. Xu Haiyun as a supervisor of the Company, whose term of office will start from the date of deliberation and adoption by the general meeting of shareholders and end at the expiration of the term of office of the sixth session of the Board of Supervisors.

We hereby submit all of the above for deliberation.

Attachment: Resume of Mr. Xu Haiyun

Xu Haiyun, male, born in July 1965, holds a bachelor degree in engineering and is currently a senior engineer. He has successively served as Deputy Director of Kunming Survey and Design Institute under the Ministry of Water and Electricity, Deputy Manager of the Project Department of Jin'anqiao Hydropower Station Project, Manager of the Planning and Development Department of Yunnan Electric Power Investment Company, Chairman of Yunnan Electric Power Investment

Foreign Energy Development Company, Deputy Head of the Nujiang Hydropower Development Preparatory Group of Yunnan Electric Power Investment, Party Secretary, Discipline Inspection Commission Secretary and Deputy General Manager of Yunnan Lancang River International Energy Company, Deputy Director of the Overseas Business Department of Huaneng Lancang River Hydropower Company, Party Secretary, Discipline Inspection Commission Secretary and Deputy Manager of Yunnan Lancang River International Energy Company, as well as Middle-level Manager of Yunnan Energy Investment Group Co., Ltd. (Dispatched Deputy General Manager of Yunnan Huadian Jinsha River Midstream Hydropower Development Co., Ltd., Dispatched Party Committee Member and Deputy General Manager of Yunnan Energy Investment Co., Ltd. of Three Gorges Group, and Deputy General Manager of Three Gorges Jinsha River Yunchuan Hydropower Development Co., Ltd.). He is currently serving as Deputy General Manager of the Equity Management Center of Yunnan Energy Investment Group Co., Ltd. (at the middle-level rank of the Group).