

SDIC Power Holdings CO., LTD.

(GDR under the symbol: "SDIC")

NOTICE OF THE 2024 FIFTH EXTRAORDINARY GENERAL MEETING

This announcement contains the English translation of the Chinese version of “The 2024 Fifth Extraordinary General Meeting Material” as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

NOTICE IS HEREBY GIVEN that the 2024 fifth Extraordinary General Meeting of SDIC Power Holdings CO., LTD. will be held at Room 207, No.147 Xizhimen Nanxiao Street, Xicheng District, Beijing, the PRC, on Wednesday 9 October 2024 at 14:00 p.m., for the purpose of considering, and if thought fit, passing the following resolution.

SPECIAL RESOLUTION

1. Proposal on the Company’s Eligibility for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People’s Republic of China
2. Proposal on the Company’s Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People’s Republic of China in 2024
3. Proposal on the Company’s Tentative Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People’s Republic of China in 2024
4. Proposal on the Demonstration and Analysis Report on the Company’s Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People’s Republic of China in 2024
5. Proposal on the Feasibility Analysis Report on the Use of Funds Raised by the Company through Issuing A Shares to the Specific Object — National Council for Social Security Fund of The People’s Republic of China in 2024

6. Proposal on Dilution of Immediate Returns, Remedies and Commitments of Relevant Entities of the Company regarding the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People’ s Republic of China in 2024
7. Proposal on Signing the Conditional Share Subscription Agreement for Issuance of A Shares to the Specific Object by SDIC Power Holdings Co., Ltd.
8. Proposal on Shareholders’ Returns Planning of the Company in the Next Three Years (2024-2026)
9. Proposal on the Report regarding Use of the Company’ s Previously-raised Capital
10. Proposal on the Company’ s Related-party Transactions for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People’ s Republic of China in 2024
11. Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors or its Authorized Representatives to Handle Specific Matters in the Issuance to the Specific Object
12. Proposal on Introducing Strategic Investors into the Company and Signing the Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People’ s Republic of China

The Board of Directors of SDIC Power Holdings CO., LTD.

September 17, 2024

Proposal I

Proposal on the Company's Eligibility for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China

Dear shareholders and shareholders' representatives:

In accordance with the relevant provisions of laws, regulations, rules and other normative documents such as *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Measures for the Administration of Registration of Securities Offering by Listed Companies*, etc., the Company conducted a self-inspection on the qualification to issue A shares to the specific object. After self-inspection, the Company meets all conditions for issuing A shares to the specific object - National Council for Social Security Fund of The People's Republic of China.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal II

Proposal on the Company's Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

Dear shareholders and shareholders' representatives:

In accordance with the relevant provisions of laws, regulations, rules and other normative documents such as *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Measures for the Administration of Registration of Securities Offering by Listed Companies*, etc., the Company has formulated a plan for issuing A shares to the specific object in 2024 (hereinafter referred to as "the Issuance"), and each shareholder shall vote on the specific contents of the following plan one by one:

(I) Class and par value of offer shares

The class of shares of the Issuance are domestically listed RMB ordinary shares (A shares), with a par value per share of RMB 1.00.

(II) Issuing method and time

The Issuance will be carried out by issuing A shares to the specific object at an appropriate time within the validity period of approval from the Shanghai Stock Exchange and CSRC for registration. In the event of the introduction of new national laws, regulations, or other regulatory frameworks, the Company shall adjust its policies and procedures in accordance with such new provisions.

(III) Issuing objects and subscription methods

In the Issuance, the issuing object is NCSSF, who subscribes shares in cash.

(IV) Pricing base date, pricing principle and issue price

The pricing base date of the Issuance is the date when the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Company is announced. The issue price is 80% of the average price of listing companies' stock tradings 20 trading days (excluding the pricing base date, same below) before the pricing base date and the net asset value per share belonging to the parent company in the audited consolidated statements of the

listing companies at the end of most recent year as of the pricing base date (when calculating such indicators, deduct effect of existing perpetual bonds of the listing companies in the balance sheet. If the share price of the listed company has gone ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer). The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total number of shares traded in 20 trading days before the pricing base date. If the Company's share price is adjusted due to ex-rights and ex-dividend matters within 20 trading days before the pricing base date, the trading price on the trading day before the adjustment shall be the price subject to corresponding ex-rights and ex-dividend.

According to the above provisions, the Parties have reached a consensus through negotiation that the issue price is determined as RMB 12.72 per share, which is not lower than 80% of the average transaction price of the Company's shares in the twenty trading days before the pricing base date.

If share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the issue price for the specific object shall be adjusted accordingly, and the formula of issue price adjustment is as follows:

Cash dividends distributed: $P1 = P0 - D$

Shares to be delivered or converted into share capital: $P1 = P0 / (1 + N)$

Above two items conducted concurrently: $P1 = (P0 - D) / (1 + N)$

Where P0 is the issue price before the adjustment; P1 is the issue price after the adjustment; D is cash dividends distributed per share; and N is the number of shares to be delivered or converted into share capital.

If the Company's shares are divided, merged, or allotted during the period from the pricing base date to the issue date, the issue price per share shall be adjusted according to the principles established by the Shanghai Stock Exchange.

From the pricing base date to the issue date, if relevant laws, regulations and normative documents or the CSRC makes policy adjustments on the issue price, pricing method and other matters applicable to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

(V) Number of shares to be issued

The number of shares to be issued this time is 550,314,465, which does not exceed 30% of the total share capital of the listed company before the Issuance.

After gaining approval from CSRC, the final number of shares to be issued will be determined by either the Board of Directors or their authorized representatives authorized by the General Meeting of Shareholders through negotiation with the sponsor institution (lead underwriter) of the Issuance, in accordance with relevant regulations.

If ex-rights and ex-dividend matters occur during the period from the pricing base date to the issue date, the number of the Issuance shall be adjusted accordingly.

(VI) Restriction period arrangement

The shares subscribed by the issuing object shall not be transferred within 36 months from the date of issue. Should there be any new regulations, guidelines, or audit requirements from national laws, regulations, rules, normative documents, and securities regulatory authorities regarding the lock-up period for the shares issued in the Issuance, the Company will adjust the lock-up period for the restricted shares in compliance with the latest provisions, regulatory opinions, or audit requirements.

The reduction of shares subscribed by the issuing subscribers after the expiration of the lock-up period must also comply with relevant laws, regulations, normative documents as well as relevant provisions of the securities regulatory authority.

During the lock-up period, the shares subscribed by the issuing object, which are derived from the Company's grant of shares, capitalization of shares, division of shares

and allotment of shares and others, shall also comply with the above arrangement of the lock-up period.

(VII) Arrangement for distribution of accumulated profits of the Company before the Issuance

The accumulated undistributed profits before the Issuance by the Company will be shared by all shareholders according to the shareholding ratio after the Issuance.

(VIII) Listing location

The shares of the Issuance are planned to be listed for trading on the main board of the Shanghai Stock Exchange.

(IX) Amount and use of raised funds

The Issuance intends to raise up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

Before the funds raised by issuing shares to the specific object are in place, the Company will invest with self-raised funds according to the actual situation of the investment project of raised funds, and replace them according to the procedures prescribed by relevant laws and regulations after the raised funds are in place.

If the actual net amount of raised funds after deducting the issuing expenses is less than the total amount of raised funds to be invested in the above-mentioned project, within the final scope of this fundraising investment project, the Company will make appropriate adjustments to the capital investment priority and specific investment amount of the projects invested with raised funds according to the actual situation such as project

construction progress and capital demand. The insufficient part of raised funds shall be solved by the Company with self-raised funds.

(X) Validity period of resolution on the Issuance

The relevant resolutions of the Issuance shall be valid for 12 months from the date of review and approval by the Shareholders' Meeting.

The proposal shall be submitted to the General Meeting of Shareholders of the Company for deliberation.

The Issuance and related matters can only be implemented after being approved by the competent state-owned assets regulator or its authorized body, deliberated and passed at the General Meeting of Shareholders of the Company, examined and passed by the Shanghai Stock Exchange and approved for registration by CSRC. Finally, the plan approved for registration by the China Securities Regulatory Commission shall prevail.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal III

Proposal on the Company's Tentative Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

Dear shareholders and shareholders' representatives:

In accordance with the relevant provisions of laws, regulations, rules and other normative documents such as *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Measures for the Administration of Registration of Securities Offering by Listed Companies*, etc., the Company has prepared the *Tentative Plan of SDIC Power Holdings Co., Ltd. for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*. For details, please refer to Annex I *SDIC Power Holdings Co., Ltd. Tentative Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal IV

Proposal on the Demonstration and Analysis Report on the Company's Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

Dear shareholders and shareholders' representatives:

In accordance with the relevant provisions of laws, regulations, rules and other normative documents such as *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Measures for the Administration of Registration of Securities Offering by Listed Companies*, etc., the Company has prepared the *Demonstration and Analysis Report on the Plan of SDIC Power Holdings Co., Ltd. for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*. For details, please refer to Annex II *SDIC Power Holdings Co., Ltd. Demonstration and Analysis Report on the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal V

Proposal on the Feasibility Analysis Report on the Use of Funds Raised by the Company through Issuing A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

Dear shareholders and shareholders' representatives:

In accordance with the relevant provisions of laws, regulations, rules and other normative documents such as *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Measures for the Administration of Registration of Securities Offering by Listed Companies*, etc., the Company has prepared the *Feasibility Analysis Report on the Use of Funds Raised by SDIC Power Holdings Co., Ltd. through Issuing A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*. For details, please refer to Annex III *SDIC Power Holdings Co., Ltd. Feasibility Analysis Report on the Use of Funds Raised by the Company through Issuing A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal VI

Proposal on Dilution of Immediate Returns, Remedies and Commitments of Relevant Entities of the Company regarding the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

Dear shareholders and shareholders' representatives:

According to the requirements of relevant laws, regulations, and normative documents such as the *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market* (GBF [2013] No.110), *Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market* (GF [2014] No.17), and the *Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Major Asset Restructuring* (CSRC Announcement [2015] No. 31), and *Measures for the Administration of Registration of Securities Offering by Listed Companies*, and combined with the latest situation of the company, to protect the interests of small and medium-sized investors, the Company has carefully analyzed the impact of the Issuance of shares to the specific object on the dilution of immediate returns and has formulated specific remedial measures for the dilution of immediate returns. The directors, senior executives and controlling shareholders of the Company have made commitments to effectively fulfilling the remedies for dilution of immediate returns. For details, please refer to Annex IV *SDIC Power Holdings Co., Ltd. Announcement on Dilution of Immediate Returns, Remedies and Commitments of Relevant Entities of the Company regarding the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal VII

Proposal on Signing the Conditional Share Subscription Agreement for Issuance of A Shares to the Specific Object by SDIC Power Holdings Co., Ltd.

Dear shareholders and shareholders' representatives:

In accordance with the relevant provisions of laws, regulations, rules and other normative documents such as *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Measures for the Administration of Registration of Securities Offering by Listed Companies*, etc., and in combination with the company's plan for the issuance of shares to the specific object this time, the Company intends to sign the *Conditional Share Subscription Agreement for the Issuance of A Shares to the Specific Object by SDIC Power Holdings Co., Ltd.* with the NCSSF. For details, please refer to *Annex V Announcement of SDIC Power Holdings Co., Ltd. on Signing the Conditional Subscription Agreement for Issuance of Shares to the Specific Object and Related-Party Transactions with Respect to the Issuance of A Shares to the Specific Object-National Council for Social Fund of the People's Republic of China*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal VIII

Proposal on Shareholders' Returns Planning of the Company in the Next Three Years (2024-2026)

Dear shareholders and shareholders' representatives:

In order to establish a scientific, continuous and stable dividend return and supervision mechanism for investors, maintain the continuity, stability and scientificity of the Company's profit distribution policies, enhance the transparency of profit distribution decisions, actively reward investors, and guide investors to establish long-term investment and rational investment concepts, the Company formulates the Shareholders' Returns Planning of SDIC Power Holding Co., Ltd. in the Next Three Years (2024-2026) according to the *Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies* (ZJF [2012] No.37) issued by China Securities Regulatory Commission, the *Guidelines for Supervision of Listed Companies No.3 - Cash Dividends of Listed Companies* (ZJHGG [2023] No.61) and other relevant documents like the *Articles of Association*. For details, please refer to Annex VI *SDIC Power Holdings Co., Ltd. Shareholders' Returns Planning in the Next Three Years (2024 -2026)*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal IX

Proposal on the Report regarding Use of the Company's Previously-raised Capital

Dear shareholders and shareholders' representatives:

In accordance with relevant provisions of the *Guidelines for the Application of Regulatory Rules - Issuance Class No. 7* issued by the CSRC, the Company has prepared the *Report of SDIC Power Holdings Co., Ltd. regarding Use of the Previously-raised Capital*, as detailed in the Annex to the Proposal. The report has been authenticated by BDO China Shu Lun Pan CPAs (Special General Partnership), and an authentication report has been issued. For details, please refer to Annex VII *Report of SDIC Power Holdings Co., Ltd. on the Use of the Previously-raised Funds as of June 30, 2024*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal X

Proposal on the Company's Related-party Transactions for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

Dear shareholders and shareholders' representatives:

The issuing object of shares issued to the specific object of the Issuance is the NCSSF. According to the rough calculation based on the shares issued to the specific object, after the issuance is completed, the NCSSF will become a shareholder holding more than 5% of the Company's shares, so it becomes a related party of the Company. The participation of the NCSSF in the subscription of shares issued to the specific object constitutes a related-party transaction with the Company. For details, please refer to *Annex V Announcement of SDIC Power Holdings Co., Ltd. on Signing the Conditional Subscription Agreement for Issuance of Shares to the Specific Object and Related-Party Transactions with Respect to the Issuance of A Shares to the Specific Object-National Council for Social Fund of the People's Republic of China.*

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal XI

Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors or its Authorized Representatives to Handle Specific Matters in the Issuance to the Specific Object

Dear shareholders and shareholders' representatives:

In order to ensure that the issuance can be carried out efficiently and smoothly, and in accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China* and other laws and regulations as well as the relevant provisions of the *Articles of Association*, the Board of Directors of the Company intends to request the General Meeting of Shareholders to authorize the Board of Directors or the authorized representatives of the Board of Directors to have full power to handle the relevant matters of the Issuance within the scope stipulated by relevant laws, regulations and normative documents, including but not limited to:

1. Authorize the Board of Directors or its authorized representatives to supplement, revise and adjust the specific plan of the Issuance (including but not limited to determining the pricing base date, number of shares to be issued, issuing objects, issue price and adjusting the upper limit of total raised funds) and the application documents and supporting documents of the Issuance in accordance with changes in relevant laws, regulations and policies, the examination opinions of relevant regulatory authorities on the application for the Issuance and changes in the securities market, except for matters that require re-voting by the General Meeting of Shareholders according to laws, regulations, normative documents, and the *Articles of Association*.

2. Authorize the Board of Directors to adjust the specific arrangements for projects invested with raised funds within the scope of the resolution of the General Meeting of Shareholders according to factors such as changes in the market and implementation conditions of fund-raising projects, including but not limited to adjusting the actual investment amount and implementation progress of investment projects according to the

actual progress of projects invested with raised funds and the actual amount of raised funds.

3. Authorize the Board of Directors to handle matters such as opening a special account for raised funds, identifying the existing account as a special account and canceling it, and signing a supervision agreement on raised funds with the sponsor institutions and the deposit bank of the special account for raised funds.

4. Authorize the Board of Directors or its authorized representatives to sign, amend, supplement, submit, report, and execute all documents, agreements, and other relevant legal documents related to the Issuance.

5. Authorize the Board of Directors or its authorized representatives to handle the application for the Issuance, prepare, modify and submit the application materials for the Issuance in accordance with relevant regulations, and reply to the feedback opinions of the regulatory authorities.

6. Authorize the Board of Directors or its authorized representatives to formulate and implement the specific plan of the Issuance according to the specific circumstances, including but not limited to selecting the timing of issuance, determining the specific number of shares to be issued, issue price and specific issuing objects, specific subscription methods and all other matters related to the Issuance.

7. Authorize the Board of Directors or its authorized representatives to handle the capital verification procedures related to the Issuance, as well as various registration procedures for changes in the *Articles of Association* and registered capital in accordance with the actual results of the Issuance.

8. Authorize the Board of Directors or its authorized representatives to process the registration, lock-in, and listing on the Shanghai Stock Exchange after the completion of the Issuance.

9. Handle other matters related to the Issuance within the scope permitted by laws, regulations, relevant normative documents and the *Articles of Association*.

10. The validity period of the above authorizations is 12 months from the date when the authorization proposal is reviewed and approved by the General Meeting of Shareholders.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Proposal XII

Proposal on Introducing Strategic Investors into the Company and Signing the Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People's Republic of China

Dear shareholders and shareholders' representatives:

The Company intends to introduce the NCSSF as a strategic investor by issuing shares to the specific object. According to the Company's plan for issuing shares to the specific object, the Company intends to sign the *Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and the National Council for Social Security Fund of The People's Republic of China* with the NCSSF. For details, please refer to Annex VIII *Announcement on Introducing National Council for Social Security Fund of The People's Republic of China as A Strategic Investor and Signing Conditional Strategic Cooperation Agreement*.

The above proposal has been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors on September 17, 2024, and it is hereby presented to you for deliberation and approval.

Annex I

SDIC Power Holdings Co., Ltd.

(Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District,
Beijing)



Tentative Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

September 2024

Company Statement

1. The Company and all members of the Board of Directors guarantee that the contents of the Tentative Plan are true, accurate and complete, and confirm that it contains no false records, misleading statements or major omissions.

2. The Tentative Plan is prepared in accordance with the requirements of the *Measures for the Administration of Registration of Securities Offering by Listed Companies* and other laws, regulations and normative documents.

3. Upon the completion of the issuance of A shares to the specific object - National Council for Social Security Fund of The People's Republic of China, the Company shall be responsible for the changes in the Company's operations and earnings; the investment risks caused by the issuance of A shares to the specific object shall be borne by the investors.

4. The Tentative Plan is the Company's Board of Directors' explanation of the issuance of A shares to the specific object - National Council for Social Security Fund of The People's Republic of China. Any statement to the contrary is a false statement.

5. If investors have any questions, they shall consult their stockbrokers, lawyers, professional accountants or other professional consultants.

6. The matters described in the Tentative Plan do not represent the substantive judgment, confirmation, approval or verification of the approval authority on the issuance of A shares to the specific object. The effectiveness and completion of the issuance of A shares to the specific object described in the Tentative Plan are subject to the approval of the competent state-owned assets regulator or its authorized body, the approval of the Company's general meeting of shareholders, the review and approval of the Shanghai Stock Exchange, and the approval for registration of China Securities Regulatory Commission.

Important Content Instructions

The terms or abbreviations described in this section have the same meaning as the terms or abbreviations described in the "Definitions" of the Tentative Plan.

Through the Issuance, the Listed Company shall introduce the NCSSF as a strategic investor and give full play to its advantages and role of long-term fund and patient capital, which shall play a leading and exemplary role in improving the inherent stability of the capital market and boosting investor confidence; at the same time, the funds raised this time shall be used entirely for the investment, development, construction and operation of clean energy projects, which is a specific and active response to the national "dual carbon" goals. It is of great significance to alleviating the Listed Company's capital shortage at the present stage and promoting the rapid development of its main business.

1. The relevant matters of the Issuance have been deliberated and approved at the 33rd Meeting of the Twelfth Board of Directors of the Company. The Issuance still needs the approval of the competent state-owned assets regulator or its authorized body, the deliberation and approval of the Company's general meeting of shareholders, the review and approval of the Shanghai Stock Exchange, and the approval for registration by CSRC before its implementation.

2. The object of the Issuance is NCSSF. As a long-term fund investment institution, NCSSF can give full play to the advantages of long-term funds and patient capital. The Issuing Object subscribes to the Company's shares issued this time in RMB cash. With the number of shares to be issued in the Issuance roughly estimated, NCSSF shall become a shareholder of the Company with holding of more than 5% after the Issuance is completed, and therefore become a related party of the Company. The Issuance constitutes a related-party transaction.

3. The pricing base date for the Issuance is the announcement date of the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Company. The price of the Issuance is RMB 12.72/share, which is 80% of the average trading price of the listed company's shares in the 20 trading days before the pricing base date (excluding the pricing

base date, the same below) and the net asset value per share attributable to the parent company's owners in the audited consolidated financial statements of the listed company at the end of the most recent year as of the pricing base date (the calculation of such indicators shall deduct the impact of the perpetual bonds of the listed company that have been in existence on the balance sheet date. If the share price of the listed company has gone ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer). The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total numbers of shares traded in 20 trading days before the pricing base date. If the listed company has a stock price adjustment due to ex-rights and ex-dividends within 20 trading days before the pricing base date, the trading price of the trading day before the adjustment shall be calculated based on the price after the corresponding ex-rights and ex-dividends adjustment. If ex-rights and ex-dividends occur between the pricing base date and the issue date, the issue price to the specific object shall be adjusted accordingly.

4. The number of shares issued this time shall be determined by dividing the total amount of funds raised by the issue price. It is planned that 550,314,465 shares shall be issued, which shall not exceed 30% of the total share capital of the Company before the Issuance. The final number of shares to be issued shall be based on the number of shares actually issued after registration with CSRC. Within the above range, the final issuance quantity shall be determined based on the negotiation between the Board of Directors and the sponsors (lead underwriters) in accordance with the authorization of the general meeting of shareholders and the final issue price.

If the Company has ex-rights and ex-dividends between the pricing base date and the date of the Issuance, the number of shares issued this time shall be adjusted accordingly.

5. After the completion of the Issuance, the shares subscribed by the issuing object

shall not be transferred within thirty-six months from the date of completion of the Issuance. Should there be any new regulations, guidelines, or audit requirements from national laws, regulations, rules, normative documents, and securities regulatory authorities regarding the lock-up period for the shares issued in the Issuance, the Company will adjust the lock-up period for the restricted shares in compliance with the latest provisions, regulatory opinions, or audit requirements.

The reduction of holding of the shares in the Issuance subscribed by the issuing object after the expiration of the restricted period shall also comply with relevant laws, regulations and normative documents, as well as relevant regulations of the securities regulatory authorities.

The shares subscribed by the issuing object in the Issuance, the shares derived from the Company's share delivery, transfer of capital, share division, allotment and etc., shall also comply with the above-mentioned restricted period conditions.

6. The Issuance intends to raise up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

Before the funds raised by issuing shares to the specific object are in place, the Company will invest with self-raised funds according to the actual situation of the investment project, and replace them according to the procedures prescribed by relevant laws and regulations after the raised funds are in place.

If the actual net amount of raised funds after deducting the issuing expenses is less than the total amount of raised funds to be invested in the above-mentioned project, within the final scope of this fundraising investment project, the Company will make appropriate

adjustments to the capital investment priority and specific investment amount of the projects invested with raised funds according to the actual situation such as project construction progress and capital demand. The insufficient part of raised funds shall be solved by the Company with self-raised funds.

7. The undistributed profits accumulated of the Company before the Issuance will be shared by all shareholders upon the completion of this Issuance in accordance with the shareholding ratio upon the completion of this Issuance.

In order to further standardize and improve the Company's profit distribution policy, establish a scientific, continuous, stable and transparent dividend decision-making and supervision mechanism, and actively return investors, in accordance with the State Council's *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate rights and Interests of Small and Medium Investors in the Capital Market*, the CSRC's *Notice on Matters Relating to the Further Implementation of Cash Dividends for Listed Companies* (ZJF [2012] No. 37), *No. 3 Guidance for Regulation of Listed Companies - Distribution of Cash Dividends of Listed Companies (Revised in 2023)*, the *Articles of Association*, and other relevant documents, and in reference to the Company's profitability, business development plan, shareholder returns, external financing environment and other factors, the Company has formulated the *Shareholder Return Plan of SDIC Power Holdings Co., Ltd. for the Next Three Years (2024-2026)*, which specifies that in principle, the Company shall distribute profits in cash each year from 2024 to 2026, which shall be not less than 55% of the distributable profits realized in that year.

Please refer to "Chapter VIII Board of Directors' Description on Profit Distribution Policy and Cash Dividends" in the Tentative Plan for the details of the profit distribution and cash dividends policy.

8. After the completion of the Issuance, the total share capital of the Company will increase, and the shareholders' immediate returns might be diluted. Please refer to "Chapter IX Analysis on Diluting the Immediate Returns of the Shares Issued to the

Specific Object" in the Tentative Plan for the details of analysis on diluting immediate returns of the Issuance and compensatory measures. Investors are kindly requested to pay attention to such risk. Although the Company develops compensatory measures for the risk of diluting immediate returns, these measures cannot guarantee the Company's future profits. The investors shall not make an investment decision based on this. If yes, the Company will not shoulder the responsibility for the losses caused thereby. Investors are kindly requested to pay attention.

9. The Board of Directors especially reminds investors of carefully reading "Chapter VII Relevant Risks of the Issuance" in the Tentative Plan, and paying attention to investment risks.

Definitions

In the Tentative Plan, the abbreviations below have the following meanings, unless otherwise stated in the context:

Company, the Company, Listed Company, the Issuer, SDIC Power	means	SDIC Power Holdings Co., Ltd.
The Issuance, the Issuance to the specific object, the Issuance to the specific object - NCSSF	means	The Company issuing A shares to NCSSF
Subscriber, issuing object, NCSSF	means	National Council for Social Security Fund of The People's Republic of China
Tentative Plan	means	The Tentative Plan of SDIC Power Holdings Co., Ltd. for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024
Pricing Base Date	means	Announcement date of the Board of Directors' decision to issue A shares to the specific object
CSRC	means	China Securities Regulatory Commission
Stock Exchange, SSE	means	Shanghai Stock Exchange
General Meeting of Shareholders, Board of Directors, Supervisory Committee	means	General Meeting of Shareholders, Board of Directors, and Supervisory Committee of SDIC Power Holdings Co., Ltd.
Mengdigou Hydropower Station Project	means	Yalong River Mengdigou Hydropower Station Project
Kala Hydropower Station Project	means	Yalong River Kala Hydropower Station Project
<i>Company Law</i>	means	<i>Company Law of the People's Republic of China</i>
<i>Securities Law</i>	means	<i>Securities Law of the People's Republic of China</i>
<i>Listing Rules</i>	means	<i>Rules Governing the Listing of Stocks on Shanghai Stock Exchange</i>
<i>Articles of Association</i>	means	<i>Articles of Association of SDIC Power Holdings Co., Ltd.</i>
Reporting Period	means	2021, 2022, 2023, and January-June 2024
SDIC	means	State Development & Investment Corp., Ltd.
State Council	means	State Council of the People's Republic of China
NDRC	means	National Development and Reform Commission
SASAC	means	State-owned Assets Supervision and Administration Commission of the State Council

<i>Conditional Share Subscription Agreement</i>	means	<i>Conditional Share Subscription Agreement to A Shares Issued to the Specific Object by SDIC Power Holdings Co., Ltd.</i>
<i>Conditional Strategic Cooperation Agreement</i>	means	<i>Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People's Republic of China</i>
Yalong Hydro	means	Yalong River Hydropower Development Co., Ltd.

Note: In the Tentative Plan, in case of discrepancy between the total amount of partial data and the direct sum, it is due to round-off.

Chapter I Overview of the Issuance

I. Profile of the Issuer

Company name (Chinese): 国投电力控股股份有限公司

Company name (English): SDIC Power Holdings Co., Ltd.

Registered capital: RMB 7,454,179,797

Legal representative: Guo Xuyuan

Established on: June 18, 1996

Registered address: Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District, Beijing

Office address: Building No. 147, Xizhimen Nanxiao Street, Xicheng District, Beijing

Stock abbreviation: SDIC Power and SDIC Power Holdings Co., Ltd.

Stock code: 600886, SDIC

Place of listing: main board of Shanghai Stock Exchange, and London Stock Exchange

Tel.: 86-10-88006378

Fax: 86-10-88006368

Website: www.sdicpower.com

Scope of business: investment, construction, operation and management of energy projects focusing on electricity production; development and operation of new energy projects, as well as high-tech and environmental protection industry; development and operation of power products, as well as information and consultation service. (The market entity shall carry on the business operations at its own choice of business projects in accordance with laws; where any project requires legal approval, such project may be operated with the approval from the competent authority. The market entity shall not engage in business activities banned and restricted by the industry policies of the state and the city.)

II. Background and Purpose of the Issuance

Through the Issuance, the Listed Company shall introduce the NCSSF as a strategic investor and give full play to its advantages and role of long-term fund and patient capital, which shall play a leading and exemplary role in improving the inherent stability of the capital market and boosting investor confidence. At the same time, the funds raised this time shall be used entirely for the investment, development, construction and operation of clean energy projects, which is a specific and active response to the national "dual carbon" goals. It is of great significance to alleviate the listed company's capital shortage at the present stage and promote the rapid development of its main business.

(I) Background of the Issuance

1. The State Council actively promotes the entry of medium- and long-term funds into the market to improve the internal stability of the capital market

(1) The introduction of medium- and long-term fund is of great significance to improving the quality of listed companies

The capital market plays an important role in financial operations, and listed companies are the cornerstone of the capital market. In October 2020, the State Council issued the *Opinions on Further Improving the Quality of Listed Companies*, requiring listed companies to become better and stronger, and clearly proposing to "explore the establishment of a long-term assessment mechanism for institutional investors to attract more medium- and long-term funds into the market." In January 2024, the executive meeting of the State Council was held, emphasizing that enhancing the fundamental systems of the capital market, elevating the quality of the listed company, facilitating the influx of medium- and long-term capital, and intensifying regulatory oversight will be the key priorities in stabilizing the market and strengthening investor confidence.

In this context, CSRC, along with other relevant departments, has rolled out a suite of policies to provide guidance and incentives for medium- and long-term capital to enter the market. On September 10, 2023, the National Financial Regulatory Administration issued the *Notice on Optimizing Regulatory Standards for Solvency of Insurance Companies* to enhance the enthusiasm of insurance funds in allocating blue-chip stocks and technology stocks. On October 30, the Ministry of Finance issued the *Notice on Guiding Insurance Funds to Make Long-term and Sound Investment and Strengthening*

the Long-period Assessment of State-owned Commercial Insurance Companies to guide and enhance the enthusiasm and stability of insurance fund equity investment. In November 2023, the CSRC stated that it would continue to strengthen departmental coordination, issue the *Action Plan for Investment Side Reform of Capital Market* as soon as possible, increase the introduction of medium- and long-term funds, improve the enthusiasm and stability of various medium- and long-term funds in participating in the capital market, and promote the positive interaction between medium- and long-term funds such as social security fund, basic pension insurance fund, annuity fund and insurance fund and the capital market as a whole. On March 15, 2024, the CSRC issued the *Opinions on Strengthening the Supervision of Listed Companies (Trial)*, in which Article 16 clearly states that 'listed companies are encouraged to actively attract long-term institutional investors and facilitate their participation in corporate governance'. On April 12, 2024, the State Council issued *Several Opinions of the State Council on Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets*, which clearly states: "vigorously promote the entry of medium- and long-term capital into the market, and continuously strengthen the force of long-term investment; establish a market ecosystem that fosters long-term investment, improve the basic systems compatible with long-term investment, and build a policy system that supports 'long-term capital for long-term investment'", and "improve the investment policies of the National Social Security Fund and the Basic Pension Insurance Fund."

(2) As a long-term fund investment institution, NCSSF can give full play to the advantages of long-term funds and patient capital.

The NCSSF promotes the establishment of a stable capital injection mechanism, explores and expands new sources of funds, and establishes an employment and replenishment mechanism. It adheres to and continuously enriches the concept of "long-term investment, value investment and responsibility investment", constantly improves the performance appraisal mechanism suitable for long-term investment, and gives full play to the advantages and role of funds under management as long-term funds and patient capital. In September 2022, NCSSF formulated and issued the *Guidelines on Industrial Investment of the National Council for Social Security Fund of The People's Republic of China*, which clarified the medium- and long-term development plan of industrial investment of NCSSF and further improved the management and operation system of industrial investment. In industrial investment management, NCSSF has actively given

full play to the long-term capital advantage and market-leading role, so as to increase the long-term equity investment in strategic and primary fields, realize cross-cycle and long-term stable returns on investment, and promote the formation of more long-term and patient capital, and further to promote the healthy and stable operation of the capital market.

The listed company is mainly engaged in power generation and committed to clean and low-carbon development. The main business of the listed company is naturally consistent with the investment direction of NCSSF. The strategic collaboration between the Parties can leverage the long-term financial strength of the NCSSF, aiding the listed company in achieving steady and rapid growth in its core businesses and enhancing its core competitiveness.

2. The Company actively implements the clean energy development strategy under the leadership of "Dual Carbon" to further promote the clean process in the power industry

With increasingly severe problems such as extreme climate change, environmental pollution and structural shortage of energy resources, major economies around the world have further promoted energy mix adjustment, actively developed clean energy, put forward the goal of "carbon peaking and carbon neutrality", and taken controlling carbon emissions and developing a green economy as a major strategic direction for economic transformation and upgrading.

In September 2020, China set the goal of "carbon peaking and carbon neutrality" for the first time. In October 2021, the State Council issued the *Opinions of the State Council on Full, Accurate and Comprehensive implementation of the New Development Concept to Achieve Peak Carbon Dioxide Emissions and Carbon Neutrality*, making systematic planning and overall deployment for the "Dual Carbon" goal.

Under the guidance of the overall goal of "Dual Carbon", China's power industry is also making in-depth progress toward cleanliness. The National Development and Reform Commission, the National Energy Administration and other relevant authorities of the PRC have successively issued the *Modern Energy System Plan under the "14th Five-Year Plan"* and the *Renewable Energy Development Plan under the "14th Five-Year Plan"*, clearly stating: 1) in respect of hydropower, during the "14th Five-Year Plan" period, China will "develop hydropower business according to local conditions and strive

to achieve about 380 million kW installed capacity of conventional hydropower in 2025"; and 2) in respect of renewable energy, by 2025, the total consumption of renewable energy is expected to reach about 1 billion tons of standard coal, accounting for about 18% of primary energy consumption; the annual power generation of renewable energy will reach about 3.3 trillion kWh, and the power generation of wind power and solar energy will double; and the total electricity consumption of renewable energy and the responsibility weight of non-hydropower consumption in China will reach about 33% and 18% respectively, and the utilization rate will remain a reasonable level.

In recent years, the Company has actively responded to the "Dual Carbon" goals through many measures: In terms of thermal power business, the Company completed the integration and optimization of thermal power assets in 2019 to improve further the power generation efficiency of its thermal power projects, and actively carried out technological transformation to promote energy conservation and carbon reduction; In terms of hydropower, the Company continued to increase the development of hydropower projects in the Yalong River Basin and has continuously put into operation or built a number of new hydropower projects in recent years; In terms of new energy, the Company has gradually increased the installed capacity of new energy through independent development and asset acquisition. At present, the Company has become a comprehensive energy company that focuses on clean energy and combines hydro, thermal, wind and solar power, with the installed capacity of clean energy accounting for 68.53%.

In the future, the Company will continue to vigorously develop clean energy, further focus on the Yalong River Basin Water-Wind-Solar Hybrid Integrated Demonstration Base, carry out work focusing on hydro-wind-solar integrated clean energy demonstration base, new energy base projects, offshore wind power projects, etc., and vigorously promote the development of new energy projects. At the same time, the Company will promote the construction of clean and efficient thermal power such as combined heat and power generation and gas power generation, comprehensively promote low-carbon transformation, and continuously increase the proportion of clean energy.

3. The Company has experienced rapid business growth during the "14th Five-Year Plan" period, necessitating an urgent need for capital.

In recent years, various businesses of the Company have developed rapidly and achieved remarkable results. On the Yalong River, significant advancements have been

achieved in the development of the hydro-wind-solar power integration bases in the Yalong River Basin, with notable breakthroughs in a number of clean energy projects. The Kela Phase I PV Project and Laba Mountain Wind Power Project were put into operation, and the construction of Yagen Cascade 1, Kala and Mengdigou Hydropower Station Projects, and Lianghekou Mixed Storage Project was promoted as planned. In terms of new energy, the Company has increased its efforts to obtain high-quality resources and achieved new breakthroughs in key development fields and projects. It has completed the approval (filing) of a certain scale of new energy projects in Sichuan, Yunnan, Guangxi, Xinjiang, Tibet, Shaanxi, Hebei, Fujian, Shanxi, Hubei, Tianjin, Zhejiang and other regions, and reserved a large number of new energy development resources. In terms of thermal power, the development work was steadily promoted in accordance with the established strategy. The construction of the Zhoushan Gas Turbine Power Generation Project and Units 3 & 4 of Qinzhou Second Power was fully started, and the Meizhou Bay Phase III Thermal Power Project was approved.

According to the Company's strategic plan under the "14th Five-Year Plan", the Company's installed capacity of new energy will reach 17 million kW in 2025, and the holding installed capacity of clean energy will reach more than 72%. Up to now, the Company still has an installed capacity target of nearly 10 million kW of clean energy. In the next two years, the Company needs to continuously strengthen the development of hydropower resources in the middle reaches of Yalong River and greatly increase the holding installed capacity of new energy. The project construction task is challenging.

According to the investment plan, the Company's capital construction investment budget in 2024 is RMB 34.65 billion, which is mainly used for the development of clean energy projects such as hydropower and new energy projects, involving nearly 80 continued and new projects. By the end of the second quarter of 2024, the monetary fund balance of the Company's consolidated standard was RMB 13.156 billion, while that of the parent company was RMB 4.710 billion. Most of the monetary funds were the operating funds required for the daily production and operation of each power project company. At the same time, with the rapid development of various businesses of the Company, its capital needs are extremely urgent. The funds raised this time are invested in the Company's high-quality clean energy projects, which is of great significance for the Company to relieve the financial pressure on project construction, realize the "14th

Five-Year Plan", implement the national "Dual Carbon" strategy, help the main business become stronger and better, and promote the action plan of SDIC for the "carbon peaking".

(II) Purpose of the Issuance

1. Leverage the strategic investor advantage of the NCSSF to promote the development of the Company's clean energy business

NCSSF has actively studied and extensively arranged investment in the fields of "carbon peaking and carbon neutrality", with a broad and deep understanding and market influence in the clean energy industry.

The Company is a comprehensive energy and power listed company mainly engaged in clean energy, combining hydro, thermal, wind and solar power. It vigorously develops the clean energy business dominated by hydropower. The proportion of clean energy is relatively high and steadily increasing. Through strategic cooperation, NCSSF can bring various collaborative resources such as clean energy project development, upstream and downstream cooperation of industrial chain and overall strategy of the company to the listed company, thus improving their competitiveness in the field of clean energy.

In addition, NCSSF intends to invest in SDIC Power as a strategic investor and is willing to hold shares of the Company for a long time. According to the development plan and return level of the Company's clean energy business, it will provide continuous capital support for the Company's clean energy business properly on the premise of meeting its own investment requirements. At the same time, NCSSF shall exercise relevant shareholders' rights such as voting rights and proposal rights in accordance with the law, conscientiously perform corresponding duties, nominate directors to effectively participate in corporate governance and improve the level of corporate governance. Through its professional post-investment management team, it can assist the Board of Directors and its special committees to make decisions, play an active role in corporate governance, maximize the interests of the Company and safeguard the rights and interests of all shareholders.

2. Relieve the current financial pressures on the listed company and foster the rapid development of its core business

In alignment with the Company's strategic planning outlined in the "14th Five-Year Plan," the Company is accelerating its trajectory of clean energy development, which

entails substantial capital requirements. By the Issuance to the specific object, the Company will obtain funds for long-term development, support the construction of high-quality clean energy projects with great strategic significance, such as Mengdigou Hydropower Station and Kala Hydropower Station, and effectively alleviate its financial pressure.

The Company will further consolidate the foundation of sustainable development in terms of long-term strategy, business layout and financial capacity, seize market development opportunities, and create good conditions for the Company to achieve leapfrog development and enhance core competitiveness. Therefore, the Issuance is a positive measure for the Company to enhance its operational capability and improve its sustainable development capability. It conforms to the national industrial policy and the Company's own development strategy, will improve the overall competitiveness of the Company, and is in line with the long-term interests of shareholders of the Company.

III. Issuing Object and its Relation with the Company

(I) Issuing object

The object of the Issuance is NCSSF.

(II) Relation of issuing object with the Company

NCSSF is not related to the Company prior to the Issuance. If a rough estimate is made based on the number of shares to be issued, NCSSF will hold more than 5% shares of the Company after the Issuance. Therefore, NCSSF will be considered a related party of the Company. Please refer to "Chapter II Profile of the Issuing Object" in the Tentative Plan for details on the issuing object.

IV. Overview of the Issuance Plan

(I) Class and par value of offer shares

The class of shares of the Issuance are domestically listed RMB ordinary shares (A shares), with a par value per share of RMB 1.00.

(II) Issuing method and time

The Issuance will be carried out by issuing A shares to the specific object at an appropriate time within the validity period of approval from the Shanghai Stock Exchange

and CSRC for registration. In the event of the introduction of new national laws, regulations, or other regulatory frameworks, the Company shall adjust its policies and procedures in accordance with such new provisions.

(III) Issuing objects and subscription methods

In the Issuance, the issuing object is NCSSF, who subscribes shares in cash.

(IV) Pricing base date, pricing principle and issue price

The pricing base date of the Issuance is the date when the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Company is announced. The issue price is 80% of the average price of listing companies' stock tradings 20 trading days (excluding the pricing base date, same below) before the pricing base date and the net asset value per share belonging to the parent company in the audited consolidated statements of the listing companies at the end of most recent year as of the pricing base date (when calculating such indicators, deduct effect of existing perpetual bonds of the listing companies in the balance sheet. If the share price of the listed company has gone ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer). The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total numbers of shares traded in 20 trading days before the pricing base date. If the Company's share price is adjusted due to ex-rights and ex-dividend matters within 20 trading days before the pricing base date, the trading price on the trading day before the adjustment shall be the price subject to corresponding ex-rights and ex-dividend.

According to the above provisions, the Parties have reached a consensus through negotiation that the issue price is determined as RMB 12.72 per share, which is not lower than 80% of the average transaction price of the Company's shares in the twenty trading days before the pricing base date.

If share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the issue price for the specific object shall be adjusted accordingly, and the formula of issue price adjustment is as follows:

Cash dividends distributed: $P1 = P0 - D$

Shares to be delivered or converted into share capital: $P1 = P0 / (1 + N)$

Above two items conducted concurrently: $P1 = (P0 - D) / (1 + N)$

Where $P0$ is the issue price before the adjustment; $P1$ is the issue price after the adjustment; D is cash dividends distributed per share; and N is the number of shares to be delivered or converted into share capital.

If the Company's shares are divided, merged, or allotted during the period from the pricing base date to the issue date, the issue price per share shall be adjusted according to the principles established by the Shanghai Stock Exchange.

From the pricing base date to the issue date, if relevant laws, regulations and normative documents or the CSRC makes policy adjustments on the issue price, pricing method and other matters applicable to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

(V) Number of shares to be issued

The number of shares to be issued this time is 550,314,465, which does not exceed 30% of the total share capital of the listed company before the Issuance.

After gaining approval from CSRC, the final number of shares to be issued will be determined by either the Board of Directors or their authorized representatives authorized by the General Meeting of Shareholders through negotiation with the sponsor institution (lead underwriter) of the Issuance, in accordance with relevant regulations.

If ex-rights and ex-dividend matters occur during the period from the pricing base date to the issue date, the number of the Issuance shall be adjusted accordingly.

(VI) Restriction period arrangement

The shares subscribed by the issuing object shall not be transferred within 36 months from the date of issue. Should there be any new regulations, guidelines, or audit requirements from national laws, regulations, rules, normative documents, and securities regulatory authorities regarding the lock-up period for the shares issued in the Issuance, the Company will adjust the lock-up period for the restricted shares in compliance with the latest provisions, regulatory opinions, or audit requirements.

The reduction of shares subscribed by the issuing subscribers after the expiration of the lock-up period must also comply with relevant laws, regulations, normative documents as well as relevant provisions of the securities regulatory authority.

During the lock-up period, the shares subscribed by the issuing object, which are derived from the Company's grant of shares, capitalization of shares, division of shares and allotment of shares and others, shall also comply with the above arrangement of the lock-up period.

(VII) Arrangement for distribution of accumulated profits of the Company before the Issuance

The accumulated undistributed profits before the Issuance by the Company will be shared by all shareholders according to the shareholding ratio after the Issuance.

(VIII) Listing location

The shares of the Issuance are planned to be listed for trading on the main board of the Shanghai Stock Exchange.

(IX) Amount and use of raised funds

The Issuance intends to raise up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

Before the funds raised by issuing shares to the specific object are in place, the Company will invest with self-raised funds according to the actual situation of the investment project of raised funds, and replace them according to the procedures prescribed by relevant laws and regulations after the raised funds are in place.

If the actual net amount of raised funds after deducting the issuing expenses is less than the total amount of raised funds to be invested in the above-mentioned project, within

the final scope of this fundraising investment project, the Company will make appropriate adjustments to the capital investment priority and specific investment amount of the projects invested with raised funds according to the actual situation such as project construction progress and capital demand. The insufficient part of raised funds shall be solved by the Company with self-raised funds.

(X) Validity period of resolution on the Issuance

The relevant resolutions of the Issuance shall be valid for 12 months from the date of review and approval by the Shareholders' Meeting.

V. The Issuance Constitutes Related-party Transaction or not

The issuing object of the Issuance is NCSSF. If a rough estimate is made based on the number of shares to be issued, NCSSF will hold more than 5% shares of the Company after the Issuance. Therefore, NCSSF will be considered a related party of the Company. The NCSSF participating in subscribing shares in the Issuance constitute related-party transaction with the Company.

The Company will perform the approval procedures for related-party transactions in strict accordance with laws, regulations, and the Company's internal rules. After the relevant proposals for the Issuance are deliberated by the Company's Strategy Committee, Audit Committee, and Independent Directors' Special Meeting, they are submitted to the Company's Board of Directors for deliberation. The Company's directors are unrelated, so they do not need to abstain from voting. When the relevant matters of the Issuance are deliberated at the general meeting of shareholders, associated shareholders (if any) are required to avoid the vote of relevant proposals.

VI. Change the Control of the Company or not due to the Issuance

As of the announcement date of the Tentative Plan, the Company's controlling shareholder is SDIC, holding 51.32% of the Company's shares. The actual controller of the Company is SASAC of the State Council.

Before the Issuance, the Company has a total share capital of 7,454,179,797 shares, and the number of shares to be issued is 550,314,465. Upon closing of the Issuance, the Company's total share capital is changed to 8,004,494,262 shares.

Upon closing of the Issuance, it is expected that the ratio of the shares of the Company held by SDIC to the total share capital of the Company is 47.79%. It is still the Company's controlling shareholder, and the SASAC of the State Council is still the Company's actual controller. Therefore, the Issuance will not result in a change of control of the Company.

VII. Approval or not from Relevant Competent Departments for the Issuance Plan and Procedures for Submitting for Approvals

The 33rd Meeting of the Twelfth Board of Directors of the Company has already passed relevant matters of the Issuance, and the implementation can be made only after being approved by the competent state-owned assets regulator or its authorized body, deliberated and passed at the General Meeting of Shareholders of the Company, examined and passed by the Shanghai Stock Exchange and approved for registration by CSRC.

Chapter II Profile of the Issuing Object

The issuing object of the Issuance of A shares to the specific object is the NCSSF, and it complies with the requirement of the CSRC and other securities regulators that the number of issuing objects shall not exceed thirty-five.

I. Profile of Issuing Object

Name: National Council for Social Security Fund of The People's Republic of China

Legal Representative: Liu Wei

Unified Social Credit Code: 12100000717800822N

Address: South Suite, Fortune Times Building, No.11, Fenghuiyuan, Xicheng District, Beijing

Organization Type and Economic Nature: Public institution

Initial Capital: RMB 8 million

Duties and Responsibilities:

The NCSSF performs the following duties and responsibilities as a fund investor and operator:

- (1) Manage and operate the national social security fund;
- (2) Entrusted by the State Council, centrally hold and manage the transferred state-owned equity of central enterprises and other state-owned assets.
- (3) Approved by the State Council, be authorized to manage the investment and operation of the basic pension insurance fund.
- (4) According to the scope and proportion approved by the State Council, directly invest in and operate, or select and entrust professional institutions to operate, the fund assets, regularly report the investment and operation to the relevant departments, submit financial and accounting reports, and accept supervision.
- (5) Regularly announce the income and expenditure, management and investment operation of the fund to the public.

(6) Allocate funds according to the instructions issued by the relevant departments in the determined method.

(7) Other tasks.

II. Equity Control Relationship

As of the announcement date of the Tentative Plan, the NCSSF is a public institution under the management of the Ministry of Finance.

III. Main Business

With the approval of the State Council, under the provisions of the Ministry of Finance and the Ministry of Human Resources and Social Security, NCSSF is entrusted to manage the national social security fund, the basic endowment insurance fund and a part of the transferred state-owned capital.

IV. Financial brief

Unit: RMB 100 million

Item	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	28,835.21	30,196.50	29,226.67
Total liabilities	2,819.06	3,193.06	2,438.48
Total equity	26,016.15	27,003.44	26,788.19
Item	2022	2021	2020
Revenue	-1,236.93	1,271.11	4,148.20
Net profit	-1,380.90	1,129.98	3,786.68

Note: The table shows the financial data of the national social security fund, and the 2020-2022 data has been audited, and the 2023 data has not been published.

V. Description of Issuing Object subject to Administrative Penalty, Criminal Penalty, or Involved in Major Civil Litigation or Arbitration Related to Economic Disputes since Establishment

As of the announcement date of the Tentative Plan, NCSSF, its directors, supervisors, and senior executives (main responsible persons) have not been subject to any administrative penalties or criminal penalties, nor have they been involved in major civil litigation or arbitration related to economic disputes.

VI. Horizontal Competition and Related-party Transactions with Listed Companies upon the Completion of the Issuance

As of the announcement date of the Tentative Plan, there is no horizontal competition between the Company and NCSSF. Upon the completion of the Issuance, there will be no horizontal competition between the Company and NCSSF due to the Issuance.

If a rough estimate is made based on the number of shares to be issued, NCSSF will hold more than 5% shares of the Company after the Issuance. Therefore, NCSSF will be considered a related party of the Company. The NCSSF participating in subscribing shares in the Issuance constitute related-party transaction with the Company.

If NCSSF or other enterprises under its control conduct business cooperation and engage in related-party transactions with the Company upon the completion of the Issuance, the Company will carry out the approval procedures for related-party transactions in strict accordance with laws, regulations, and the Company's internal rules, continue to follow the principles of market justice, fairness and openness, sign related-party transaction agreements according to law, perform the information disclosure obligations and handle approval procedures based on relevant laws, regulations, and listing rules, and strictly abide by the pricing principles in laws, regulations, and relevant management systems of related-party transactions, without damaging the Company's and all shareholders' interests.

VII. Major Transactions between Issuing Object and the Company within 24 Months before the Announcement of the Issuance Tentative Plan

Apart from relevant agreements on NCSSF subscribing the Issuance in the Conditional Share Subscription Agreement, there shall be no major transactions between NCSSF and the Listed Company and its subsidiaries within 24 months before announcement date of the Issuance Tentative Plan.

VIII. Fund Source for the Subscription

According to the commitment letter signed by NCSSF, the funds used for subscribing shares issued to the specific object are self-owned or self-raised and are legal, without buying shares in the form of "actual debts in the name of shares" or in the form of financial funds or other financial products, without any tiered incomes and other structured arrangements, without external raising and financing by leverage or other

structured ways, without entrusted subscription, entrusted holding of shares on behalf of others, trust holding, and other entrusted holding, without direct or indirect source from SDIC Power and its related parties, without obtaining funds by replacement of assets or other transactions with SDIC Power, and without SDIC Power, its controlling shareholders, actual controller or stakeholders of such entities directly or indirectly providing financial support, compensation, promise, or disguised promise of minimum income or other contractual arrangements to NCSSF.

Chapter III Summary of Conditional Share Subscription Agreement

The Company has signed the Conditional Share Subscription Agreement with NCSSF. The main contents are as below:

I. Parties and Signing Date

The Agreement is signed in Beijing PRC on September 17, 2024 by and between:

1. Party A (the Issuer): SDIC Power Holdings Co., Ltd.

Unified Social Credit Code: 911100002717519818

Legal representative: Guo Xuyuan

Domicile: Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District, Beijing

2. Party B (the Subscriber): National Council for Social Security Fund of The People's Republic of China

Unified Social Credit Code: 12100000717800822N

Legal representative: Liu Wei

Domicile: South Wing, Fortune Times Building, No.11, Fenghuiyuan, Xicheng District, Beijing

II. Issuance

1. The class of shares of the Issuance are domestically listed RMB ordinary shares (A shares), with a par value per share of RMB 1.00.

2. Party B agrees to subscribe all shares of the Issuance made by the Issuer in cash according to terms and conditions in the agreement.

III. Issue Price and Pricing Principle

1. The pricing base date of the Issuance is the date when the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Issuer is announced.

2. The issue price of the Issuance is RMB 12.72/share. The pricing base date when

shares are issued to the specific object is the date when the resolution of the Board of Directors on the Issuance is announced. The issue price is 80% of the average price of listing company's stock tradings 20 trading days (excluding the pricing base date, same below) before the pricing base date and the net asset value per share belonging to the parent company in the audited consolidated statements of Party A at the end of most recent year as of the pricing base date (when calculating such indicators, deduct effect of existing perpetual bonds of Party A in the balance sheet. If Party A's share price has gone ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer).

The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total number of shares traded in 20 trading days before the pricing base date. If Party A's share price is adjusted due to ex-rights and ex-dividend matters within 20 trading days before the pricing base date, the trading price on the trading day before the adjustment shall be the price subject to corresponding ex-rights and ex-dividend.

3. If Party A's share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the issue price for the specific object shall be adjusted accordingly, and the formula of issue price adjustment is as follows:

(1) Cash dividends distributed: $P1 = P0 - D$

(2) Shares to be delivered or converted into share capital: $P1 = P0 / (1 + N)$

(3) Above two items conducted concurrently: $P1 = (P0 - D) / (1 + N)$

Where $P0$ is the issue price before the adjustment; $P1$ is the issue price after the adjustment ; D is cash dividends distributed per share; N is the number of shares to be delivered or converted into share capital.

If Party A's shares are divided, merged, or allotted during the period from the pricing

base date to the issue date, the issue price per share shall be adjusted according to the principles established by the Shanghai Stock Exchange.

From the pricing base date to the issue date, if relevant laws, regulations and normative documents or the CSRC makes policy adjustments on the issue price, pricing method and other matters applicable to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

IV. Subscription Amount, Method and Number

1. The total amount of funds to be raised by Party A in the Issuance shall not exceed RMB 7 billion, and all issued shares shall be subscribed by Party B in cash.

Party B shall subscribe no more than 550,314,465 shares issued to the specific object. The subscription number shall be determined as follows: $\text{subscription amount} / \text{issue price} = \text{subscription amount}$. If there is less than 1 share, the mantissa shall be rounded down to an integer.

If the total amount of funds to be raised in the Issuance or the total number of issued shares needs adjustment due to changes in regulatory policies or as required in registration documents, Party B's subscription number shall be adjusted accordingly. If Party A's share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the number of shares subscribed by Party B for the Issuance shall be adjusted based on the issue price after the adjustment as specified in Article 3.3 of the *Conditional Share Subscription Agreement*.

2. After all entry-into-force conditions of the Issuance are satisfied and achieved, the Issuer and the lead underwriter employed by the Issuer for the Issuance shall send a *Demand Notice* to Party B within the valid period of CSRC's approval of registration. The *Demand Notice* shall set out the number of shares subscribed by the subscriber, the subscription price per share, the subscription amount to be paid by the subscriber, and the payment due date, as well as the details of the bank account designated to receive the subscription amount. Unless subject to the valid period of CSRC's approval of registration, Party A shall ensure that the payment due date specified in the *Demand Notice* shall not

be less than 3 natural days from the date on which Party B receives the *Demand Notice*.

3. Party B shall transfer the total share subscription amount in cash to the bank account opened specially for the Issuance by the sponsor institution of the Issuer before the payment due date, and the Issuer shall employ an accounting firm engaged in securities service business (hereinafter referred to as the "Qualified Accounting Firm") to verify Party B's payment and issue a *Capital Verification Report*. After the Qualified Accounting Firm verifies Party B's subscription amount and deducts correlative expenses, the subscription amount shall be transferred to the Issuer's special storage account for raised funds.

4. After the Qualified Accounting Firm completes the capital verification for the Issuance, the Issuer shall timely modify its existing Articles of Association based on the circumstances of the Issuance, and go through the relevant formalities for change of registration at the registration authority. The Issuer shall, within 10 working days after receiving the total share subscription amount, go through the formalities for registration and trusteeship of the new shares at the registration and settlement institution.

V. Share Lock-up

Party B shall not transfer Class A shares issued by Party A within 36 months from the closing date of the Issuance. Where there are special requirements for the restricted sale of shares in the relevant laws and regulations and normative documents, the provisions of the relevant laws and regulations and normative documents shall prevail. After the closing of the Issuance, if Party B increases its holding of Party A's shares due to Party A's issuance of bonus shares, conversion of capital reserves into share capital, share division and allotment within the lock-up period, the above terms shall apply.

Upon expiration of the aforesaid lock-up period, Class A shares issued by Party A to Party B will be listed and traded on the Shanghai Stock Exchange.

VI. Accumulated Profits

The accumulated undistributed profits before the Issuance by Party A will be shared by all shareholders according to the shareholding ratio after the Issuance.

VII. Validity of the Agreement

This Agreement shall come into force upon being signed and sealed by legal representatives or authorized representatives of Party A and Party B. Except for Article 8 "Confidentiality" hereof, which shall come into force on the date of this Agreement, other provisions shall come into force on the date on which all of the following conditions (the "Entry-into-force Conditions") are met (the date on which the last condition is met shall be the effective date of this Agreement).

(1) The Board of Directors and the Board of Shareholders of Party A shall deliberate on and approve all matters relating to the Issuance;

(2) Party A shall be entitled to obtain the approval of the competent state-owned assets regulator or its authorized body for the Issuance and related matters;

(3) The Issuance shall be verified by the Shanghai Stock Exchange, with CSRC's approval of registration.

VIII. Change, Cancellation and Termination of the Agreement

1. The Parties hereto may modify this Agreement and sign a supplementary agreement after reaching a consensus according to changes in circumstances or as needed, and any supplementary agreement that modifies this Agreement shall have the same legal effect as this Agreement. In case of any discrepancy, the supplementary agreement shall prevail.

2. This Agreement may be terminated under any of the following circumstances:

(1) If this Agreement becomes unenforceable due to force majeure, it may be terminated according to law upon written confirmation by the Parties;

(2) If this Agreement fails to come into force due to the failure of satisfaction of all Entry-into-force Conditions, it shall be terminated automatically;

(3) If either party seriously violates this Agreement and fails to take remedial actions within 15 days upon its receipt of the written notice from the non-breaching party, the

non-breaching party is entitled to unilaterally terminate this Agreement by sending a written notice to the breaching party.

IX. Liability for Breach

1. After the signing of the Agreement, the failure of either party to perform or to perform in a timely or appropriate manner any of its obligations hereunder or the breach of any representation, warranty or undertaking made by it hereunder shall constitute a breach of contract. The non-breaching party shall be entitled to require the breaching party to continue to perform its obligations and to bear the liability for breach in accordance with the laws and the provisions hereof. No matter what remedial actions the non-breaching party may take, the breaching party shall compensate it for all losses caused thereby.

2. The partial or total failure of either party to perform its obligations hereunder due to force majeure and through no fault of its own shall not be deemed as a breach of contract, but it shall take all necessary remedial actions to reduce the loss caused by force majeure as far as practicable.

3. Any failure to obtain approval of Party A's Board of Directors/Board of Shareholders for the Issuance, to pass the examination of the Shanghai Stock Exchange, or to obtain CSRC's approval of registration shall not constitute a breach of contract, and the Parties shall not be liable for breach of contract. If the Issuance is adjusted or canceled as required by the CSRC or Shanghai Stock Exchange, neither party shall be liable to the other party for any adjustment or cancellation of the Issuance.

Chapter IV Summary of Conditional Strategic Cooperation Agreement

The Company and NCSSF signed the *Conditional Strategic Cooperation Agreement*, and its main content is as follows:

I. Parties and Signing Date

The Agreement is signed in Beijing PRC on September 17, 2024 by and between:

1. Party A (the Issuer): SDIC Power Holdings Co., Ltd.

Domicile: Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District, Beijing

Legal representative: Guo Xuyuan

2. Party B (the Subscriber): National Council for Social Security Fund of The People's Republic of China

Domicile: South Wing, Fortune Times Building, No.11, Fenghuiyuan, Xicheng District, Beijing

Legal representative: Liu Wei

II. Purpose of Strategic Cooperation

On April 12, 2024, the State Council issued the *Several Opinions of the State Council on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market* (GF [2024] No.10), and put forward relevant opinions to further promote the high-quality development of the capital market, including vigorously promoting the entry of medium- and long-term funds into the market, continuously expanding the power of long-term investment, establishing a market ecology for cultivating long-term investment, perfecting the basic system suitable for long-term investment, and improving the investment policies concerning national social security fund and basic pension insurance fund. In order to fully implement the State Council's decision and deployment, Party B issues shares to the specific object by participating in listed company.

Hydropower, wind power and solar power, as clean and renewable energy sources, are the backbone for ensuring national energy security and realizing the dual carbon strategy. As the core business of State Development & Investment Corp., Ltd. to implement the national dual carbon strategy, Party A gives full play to the direct financing functions of the capital market and introduce strategic investors to continuously meet the large-scale sustainable development needs of clean energy projects.

The Parties carry out all-round and multi-dimensional cooperation to help Party A improve corporate governance, profitability and market competitiveness, effectively protect shareholders' rights and interests, and promote the listed company to achieve high-quality and sustainable development.

III. Advantages of the Strategic Investor and Its Cooperative Effects with the Listed Company

(I) NCSSF's advantages

The NCSSF is a public institution managed by the Ministry of Finance. As a fund investor and operator, its main responsibilities include: managing and operating the National Social Security Fund; entrusted by the State Council, centrally holding and managing the transferred state-owned equity of central enterprises; approved by the State Council, being authorized to manage the investment and operation of the basic pension insurance fund. As a strategic investor, the NCSSF has the following advantages:

1. Rich strategic resources

By the end of 2022, the total assets of the National Social Security Fund were RMB 2.88 trillion, and the managed total assets of the basic pension insurance fund were RMB 1.85 trillion. The transfer from qualified central enterprises and central financial institutions was fully completed by the end of 2020, with RMB 1.68 trillion state-owned capital transferred in total. As the earliest and most important institutional investor in China, the NCSSF has achieved extensive coverage through investment in domestic and foreign markets and in primary and secondary markets, accumulated rich investment experience, achieved excellent investment performance, established a good image as a responsible institutional investor, held a large proportion of shares in listed companies, and enhanced the trust and reputation of listed companies. In investment practice, the NCSSF has established extensive and in-depth cooperative relations with major central

enterprises, large financial institutions, industry-leading enterprises, and key scientific research institutes among others, and has the ability to connect various strategic resources according to the needs of listed companies, helping to enhance the core competitiveness, innovation ability and profitability of listed companies.

2. Long-term and patient capital

The NCSSF promotes the establishment of a stable capital injection mechanism, explores and expands new sources of funds, and establishes an employment and replenishment mechanism. It adheres to and continuously enriches the concept of "long-term investment, value investment and responsibility investment", constantly improves the performance appraisal mechanism suitable for long-term investment, and gives full play to the advantages and role of funds under management as long-term funds and patient capital. In September 2022, NCSSF formulated and issued the *Guidelines on Industrial Investment of the National Council for Social Security Fund of The People's Republic of China*, which clarified the medium- and long-term development plan of industrial investment of NCSSF and further improved the management and operation system of industrial investment. Industrial investment, as an important asset category of the NCSSF, is mainly characterized by obtaining medium-and long-term absolute benefits from industry growth and enterprise value enhancement by waiving liquidity appropriately. In industrial investment management, full play is given to the long-term capital advantage and market leading role, so as to increase the long-term equity investment in strategic and primary fields, realize cross-cycle and long-term stable returns on investment, and promote the formation of more long-term and patient capital, and further to promote the healthy and stable operation of the capital market.

3. Active shareholder principle

The NCSSF practices sustainable investment principles and adheres to active shareholder principle by appointing directors to actively participate in the corporate governance of most investees. By the end of 2023, the NCSSF had sent 9 directors, covering 17 investees, including many listed companies. The directors and supervisors were appointed to closely follow the operation and industry trends of the investees, carefully consider the proposals on major issues of the investees, timely identify the problems and risks faced by the investees, and effectively fulfill its role as a "lookout" and "alarm". The NCSSF actively exercises shareholder rights, strictly reviewing

proposals of the general meeting of shareholders from the perspective of maximizing shareholders' and the company's interests, and expresses its stance and positions at the general meeting of shareholders to enhance the regulatory effectiveness of the corporate governance and elevate the Company's governance level. At the same time, the NCSSF strengthens the management of investees by sending letters and communications, help solve problems, and prevent and control risks in time.

(II) Cooperative effects between the Parties

The Parties intend to strengthen strategic cooperation in such manner as Party B subscribes for A shares to be issued to the specific object. The cooperative effects between the Parties include, without limitation:

1. Party A is an electric power company focusing on clean energy, and the construction of clean energy projects needs large and long-term funds. Party B has strong financial strength and is willing to subscribe for and hold a large proportion of shares of Party A for a long time. At the same time, according to the development plan and return level of Party A's clean energy business, it will provide continuous capital support for Party A's clean energy business in an appropriate way on the premise of meeting its own investment requirements.

2. As a listed company, Party A has sound, standardized and effective corporate governance. Party B has rich experience in participating in the corporate governance of investees, will exercise shareholder rights such as voting rights and proposing rights according to law, earnestly perform shareholder duties, and appoint one director to Party A to promote the optimization of Party A's governance structure and improve its governance level.

3. Party A's main power business is hydropower, covering thermal power, wind power and solar power. The energy industry is the key investment field of Party B. Party B has a certain investment layout in the industry, and has a deep understanding of the current situation and future trends of the industry. It can connect relevant strategic resources according to Party A's needs and promote win-win cooperation.

IV. Methods and Areas of Cooperation between the Parties

1. Party B subscribes to Party A's shares in the Issuance as a strategic investor and becomes one of Party A's important shareholders. The Parties agree to establish a regular

communication mechanism at the working level every quarter and hold management meetings from time to time. Party A is willing to provide performance guarantees for the directors sent by Party B. The Parties agree to maintain virtuous communication in governance vehicles such as the Board of Directors and general meeting of shareholders.

2. Based on its positioning as a strategic investor, Party B shall continue to pay attention to the development trend of the energy industry, and put forward reasonable and feasible opinions and suggestions to Party A on Party A's development strategy, progress of key project construction, capital operation planning, dividend level, etc., connect with relevant strategic resources according to Party A's needs, and explore the feasibility of the Parties' cooperation in external investment.

V. Cooperative Targets

Based on the principle of "long-term cooperation and common development", the Parties shall fully integrate their respective advantages by establishing and improving the strategic cooperation mechanism between them, and strive to seek long-term common strategic interests of coordination and complementarity between them. The specific cooperation goals include: I. Improve the corporate governance level, quality and intrinsic value of listed company, and promote the high-quality and sustainable development of listed company; II. urge listed company to maintain stable operating performance and reasonably high dividend level, and to ensure the investment safety, value preservation and value enhancement of Party B; and III. Increase the medium and long-term capital supply in the capital market and promote the stable and healthy development of the capital market.

VI. Term of Cooperation

The Parties agree that, unless they agree to terminate the Agreement in advance through negotiation otherwise, the cooperation period shall be from the date the Agreement takes effect to the date when Party B no longer holds the shares of Party A through the Issuance.

VII. Strategic Investor's Proposed Subscription of Shares

Party B intends to subscribe for the shares issued by Party A to the specific object this time. The specific number of shares, pricing basis and lock-up period shall be subject to the share subscription agreement finally signed by the Parties.

VIII. Arrangements for Participating in the Governance of the Listed Company

Party B shall have the right to exercise relevant shareholder rights such as voting rights, proposal rights, and supervision rights in accordance with laws and regulations, the *Articles of Association* and relevant agreements of the Issuance, and actively participate in the corporate governance of Party A. Upon the completion of the Offering (i.e., the shares issued this time are registered in the name of Party B at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited), Party B shall have the right to nominate one qualified non-independent director candidate to Party A. Party A shall, to its best effort, facilitate the approval of the director nomination proposal by Party A's Board of Directors and general meeting of shareholders. After being elected as a director of Party A through the necessary review procedures, the non-independent director candidate nominated by Party B shall participate in the decision-making of Party A's Board of Directors and play an active role in Party A's corporate governance.

IX. Not Seeking or Cooperating with Other Parties to Seek Control of the Listed Company

Party B is committed that during the period of holding or controlling the shares of the listed company, Party B (including the entity controlled by Party B) shall not seek or support or cooperate with other parties to seek control of the listed company in any form, including but not limited to consensually challenging with other shareholders or potential shareholders of the listed company and their related parties and persons acting in concert through entrustment, solicitation of voting rights, agreement, joint action, signing of a concerted action agreement/entrustment voting agreement and any other means. It shall not assist or cooperate with any third party to substantially challenge the absolute control of the listed company's controlling shareholders over the listed company, including but not limited to the proportion of voting rights of the listed company controlled by any third party reaching or exceeding 50% of the proportion of voting rights of the listed company controlled by the controlling shareholder of the listed company due to the active behavior of Party B. It shall not seek or assist other parties to seek the status of becoming the controlling shareholder or actual controller of the listed company by purchasing or

accepting shares of the listed company in the secondary market directly or through the entity controlled by Party B. For the avoidance of doubt, as of the date of signing of the Agreement, Party B has no controlling entity.

Party B is further committed that it shall not use its shareholding position or influence to interfere with or affect the controlling shareholder's control over the listed company (including but not limited to the control over the Board of Directors) or affect the normal production and operation of the listed company.

X. Future Exit Arrangements

Party B is committed that if it reduces its holdings in the future by means other than centralized bidding transactions in the secondary market, it shall ensure not to affect its performance of the "Not Seeking or Cooperating with Other Parties to Seek Control of the Listed Company" provision in the Agreement, and shall not transfer to shareholders holding more than 5% of the shares of the listed company, their persons acting in concert and the related parties of such entities, other than the controlling shareholder of the listed company.

XI. Establishment and Effectiveness of the Agreement

The Agreement shall be established on the date when it is signed by the legal representatives or authorized representatives of the Parties and affixed with the official seals of the Parties, and shall take effect at the same time as the share subscription agreement.

XII. Liability for Breach

The Parties shall strictly abide by the provisions of the Agreement. Any violation of the provisions of the Agreement shall be deemed as a breach of contract, and the breaching Party shall bear the liability for compensation for the losses and consequences caused by its breach of contract.

If any statement or warranty made by any Party in the Agreement is false or erroneous or contains major omissions, or such statement or warranty is not properly and timely performed, such Party shall be deemed to have breached the Agreement. Any Party's failure to perform any of its commitments or obligations under the Agreement shall also be deemed as such Party's breach of the Agreement. The breaching Party shall compensate and bear all losses, damages, expenses (including but not limited to

reasonable attorney fees) and liabilities incurred or suffered by the non-breaching Party due to such breach.

XIII. Modification, Alteration and Termination of the Agreement

1. After the establishment of the Agreement, no Party shall cancel or terminate the performance of the Agreement without cause.

2. The Parties agree that the Agreement shall terminate from the date of any of the following circumstances without liability for breach of contract:

(1) The Parties have fully performed their obligations under the Agreement;

(2) Force majeure occurs during the performance of the Agreement and the Parties agree to terminate the Agreement;

(3) The share subscription agreement signed by the Parties for the Offering is terminated or canceled;

(4) Other circumstances under which the Agreement shall be terminated in accordance with relevant laws and regulations.

3. Any changes or amendments to the Agreement shall be made in writing upon negotiation between the Parties, and such changes or amendments shall be an integral part of the Agreement.

4. Neither Party shall transfer part or all of its rights or obligations under the Agreement without the written consent of the Parties.

5. The Parties agree that if the Agreement is terminated or the cooperation period agreed in the Agreement expires, the confidentiality, liability for breach of contract, applicable law and dispute resolution clauses of the Agreement shall continue to be valid.

Chapter V Feasibility Analysis on the Use of Raised Funds by the Board of Directors

I. Plan for the Use of Raised Funds

The total amount of funds raised by issuing shares to the specific object (including issuance expenses) is up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

Before the funds raised by issuing shares to the specific object are in place, the Company will invest with self-raised funds according to the actual situation of the investment project of raised funds, and replace them according to the procedures prescribed by relevant laws and regulations after the raised funds are in place.

If the actual net amount of raised funds after deducting the issuing expenses is less than the total amount of raised funds to be invested in the above-mentioned project, within the final scope of this fundraising investment project, the Company will make appropriate adjustments to the capital investment priority and specific investment amount of the projects invested with raised funds according to the actual situation such as project construction progress and capital demand. The insufficient part of raised funds shall be solved by the Company with self-raised funds.

II. Necessity and Feasibility Analysis on the Use of Raised Funds

(I) Project necessity

1. Implement the strategic plan of the "West-East Electricity Transmission Project" and transmit high-quality power to serve economic and social development

Aligned with the strategic planning of the "West-East Electricity Transmission Project" initiative, Sichuan serves as a crucial power feeding end area within the central corridor of China's "West-East Electricity Transmission Project". On August 6, 2018, the People's Government of Sichuan Province issued the *Opinions on Implementing Deepened Reform of the Power System* (CFF [2018] No. 26), proposing safeguard measures to realize fuller consumption of hydropower such as "accelerating the construction of hydropower transmission channels and realizing 'grid-to-grid' transmission". Due to the huge compensation and regulation effect of the Lianghekou Hydropower Station, some electric energy generated by cascade hydropower stations in the middle reaches of the Yalong River can be transmitted through "grid-to-grid".

The newly constructed Mengdigou and Kala Hydropower Stations, once regulated by the upstream Lianghekou Hydropower Station, will coordinate operations with it to provide peak load regulation. These stations, with their high-quality power generation, will play a significant role in the power supply to Central China, thereby injecting robust impetus into the economic and social development of these regions.

2. Respond to the overall energy development plan of Sichuan Province and optimize the power supply structure of Sichuan Power Grid

The 14th Five-Year Plan for Energy Development of Sichuan Province emphasizes that "While reinforcing ecological environmental protection and ensuring proper resettlement, priority will be given to advancing the development of hydropower bases on the Jinsha River, Yalong River, and Dadu River. Efforts will be made to optimize the hydropower structure, give priority to the construction of reservoirs and hydropower stations with regulation capacity above the seasonal level, promote comprehensive basin management as a whole, give full play to the comprehensive role of hydropower stations in flood control, water storage and supply guarantee, water ecological protection, etc., and deepen pilot projects for comprehensive hydropower management in the Dadu River Basin. Hydropower stations such as Baihetan, Suwalong, Lianghekou, Yangfanggou, Shuangjiangkou and Yingliangbao will be constructed. Efforts will be made continuously to promote the construction of Yebatan, Lawa and Kala hydropower stations, and start the

construction of Xulong, Gangtuo, Benzilan, Mengdigou, Yagen II and Danba hydropower stations."

The Yalong River serves as a significant hydropower base in China, with its middle reaches strategically planned for development based on the "one reservoir and seven cascades" model, encompassing projects such as Lianghekou, Yagen I, Yagen II, Lenggu, Mengdigou, Yangfanggou and Kala. Upon the completion of the Mengdigou and Kala Hydropower Stations, the benefits of cascade compensation will be fully realized, contributing significantly to the holistic development of the Yalong River hydropower base. The deployment of the raised funds into the Mengdigou Hydropower Station and Kala Hydropower Station Project is in full alignment with the comprehensive energy strategy of Sichuan Province. Once put into operation, these hydropower stations will significantly enhance the Sichuan power grid's hydropower generation capacity during the dry season, mitigate the structural electricity shortage within the Sichuan power grid, and optimize the overall power supply structure.

(II) Project feasibility

1. The Yalong River Basin is abundant in hydropower resources, and the completion of hydropower station projects will be instrumental in fully leveraging the benefits of cascade development.

Blessed with abundant hydropower resources, the Yalong River Basin is one of the three "rich ore" areas for hydropower in Sichuan Province and is also among the thirteen largest hydropower bases in China. In the Yalong River Basin, there are three major reservoirs with multi-year regulation capabilities: the Lianghekou, Jinping I, and Ertan. Once completed, these reservoirs will provide comprehensive regulation capabilities for the cascade hydropower stations along the middle and lower reaches of the river, making it the river with the highest quality of electrical power among the major rivers in Sichuan Province.

The Mengdigou Hydropower Station and the Kala Hydropower Station are respectively the Cascade 5 and Cascade 7 hydropower stations in the cascade development scheme for the middle reaches of the Yalong River Basin. Their combined operation with the 'leading' cascade Lianghekou Hydropower Station in the middle

reaches offers excellent regulation performance and superior power quality. This not only enhances the cascade benefits of the Yalong River but also significantly improves the hydropower output during dry periods in the Sichuan power grid and optimizes the power supply structure of the Sichuan grid. Additionally, it is beneficial for increasing the overall profitability of Yalong River Company.

2. The Yalong Hydro has extensive project development experience and a solid technical foundation, providing strong support for the implementation of this project.

The main business of Yalong Hydro is hydropower generation. As authorized by the document *Reply from the General Office of the National Development and Reform Commission on the Main Body of the Cascade Development of Yalong River Hydropower Resources* (FGBNY [2003] No. 1052), Yalong Hydro is responsible for the development of Yalong River hydropower resources and is fully in charge of the construction and management of the Yalong River cascade hydropower stations. The plan includes developing 22-cascade hydropower stations on the Yalong River main stream, with a planned installed capacity of 30 million kilowatts. This installed capacity ranks third among the 13 major hydropower bases planned nationwide.

As of the end of the second quarter of 2024, Yalong Hydro has put into operation a total installed hydropower capacity of 19.2 million kilowatts. Additionally, 3.72 million kilowatts of installed hydropower capacity is under construction and has been approved. Among these, the lower-reach Jinping I, Jinping II, Guandi, Tongzilin, and Ertan Hydropower Stations are all in operation; the middle-reach Lianghekou Hydropower Station and Yangfanggou Hydropower Station have also been commissioned. Therefore, Yalong Hydro has successfully operated multiple hydropower projects. Its extensive experience in hydropower station development and operation, along with its solid technical foundation, provides strong support for the smooth implementation of the Mengdigou Hydropower Station and Kala Hydropower Station projects, which demonstrates significant feasibility.

III. Projects Invested with Raised Funds

(I) Mengdigou Hydropower Station Project

1. Project overview

Mengdigou Hydropower Station is the fifth cascade in the seven-cascade development scheme for the middle reaches of the Yalong River. It connects upstream with the Lenggu cascade and downstream with the Yangfanggou cascade. The hub is located on the main stream of the Yalong River at the boundary between Ganzi Tibetan Autonomous Prefecture and Liangshan Yi Autonomous Prefecture in Sichuan Province. The reservoir area spans Jiulong County, Kangding City, and Yajiang County in Ganzi Tibetan Autonomous Prefecture, and Muli County in Liangshan Yi Autonomous Prefecture. The total installed capacity of the hydropower station is 2.4 million kilowatts, the average annual power generation for many years is 10.405 billion kilowatt hours, and the total project investment is RMB 34.722 billion. The total construction period of the Mengdigou Hydropower Station project is 105 months.

The implementation entity of the Project is Yalong Hydro, a controlled subsidiary of the Company.

2. Approval procedures for project construction

(1) The Project received the *Reply of the Sichuan Provincial Development and Reform Commission on Approval of the Yalong River Mengdigou Hydropower Station Project* issued by the Sichuan Provincial Development and Reform Commission in February 2021 (CFGNY [2021] No. 64);

(2) The Project received the *Reply on the Environmental Impact Assessment Report of Mengdigou Hydropower Station on Yalong River in Sichuan Province* issued by the Ministry of Ecology and Environment of the People's Republic of China in November 2018 (HS [2018] No. 126);

(3) The Project received the *Reply of the People's Government of Sichuan Province on the Construction Land at the Yalong River Mengdigou Hydropower Station (Hub Area)*

(CFT [2023] No. 498) for land in the Ganzi Tibetan Autonomous Prefecture, and the *Reply of the People's Government of Sichuan Province on the Construction Land at the Yalong River Mengdigou Hydropower Station (Hub Area)* (CFT [2023] No. 499) for land in Liangshan Yi Autonomous Prefecture in April 2023.

3. Project benefits

According to the project's feasibility study report, the financial internal rate of return on equity for the Project is 8%, with an investment payback period of 20.4 years, indicating a favorable economic outlook for the project.

(II) Kala Hydropower Station Project

1. Project overview

The Kala Hydropower Station is the seventh cascade in the seven-cascade development scheme for the middle reaches of the Yalong River. The upstream cascade is Yangfanggou Hydropower Station and the downstream is Jinping I Hydropower Station. The Kala Hydropower Station project site is located about 4km upstream of Xiatianzhen Village, Kala Township, Muli County. The total installed capacity of the hydropower station is 1.02 million kilowatts, the average annual power generation for many years is 4.5238 billion kilowatt hours, and the total project investment is RMB 17.121 billion. The total construction period of the Kala Hydropower Station project is 83 months.

The implementation entity of the Project is Yalong Hydro, a controlled subsidiary of the Company.

2. Approval procedures for project construction

(1) The Project received the *Reply of the Sichuan Provincial Development and Reform Commission on Approval of the Yalong River Kala Hydropower Station Project* issued by the Sichuan Provincial Development and Reform Commission in June 2020 (CFGNY [2020] No. 323);

(2) The Project received the *Reply on the Environmental Impact Assessment Report of Kala Hydropower Station on Yalong River in Sichuan Province* issued by the Ministry of Ecology and Environment of the People's Republic of China in July 2015 (HS [2015] No. 184);

(3) The Project received the *Reply of the People's Government of Sichuan Province for the Construction Land of the Yalong River Kala Hydropower Station in Muli County* (CFT [2022] No. 2) in January 2022.

3. Project benefits

According to the project's feasibility study report, the financial internal rate of return on equity for the Project is 8%, with an investment payback period of 19.06 years, indicating a favorable economic outlook for the project.

IV. The Impact of the Issuance on the Company's Operating Conditions and Financial Conditions

(I) The impact of the Issuance on the Company's operating conditions

The funds raised from the Issuance will be directed towards projects aligned with the Company's core business, in accordance with national industry policies and the Company's overall strategic development direction. This will help enhance the Company's overall strength.

The Issuance will effectively enhance the Company's financial strength, support the development of its major businesses, consolidate its leading market position, and further improve its overall profitability. It will also boost the Company's ability to sustain development and its risk resistance capacity, laying a foundation for long-term growth and safeguarding the long-term interests of shareholders.

(II) The impact of the Issuance on the Company's financial conditions

Once the funds raised from the Issuance are in place, the Company's total assets and net assets will increase, and its asset-liability ratio will further decline. The Company's optimized financial structure will effectively reduce financial risks and support its

sustainable development.

At the same time, the Company's total share capital will increase immediately, and there is a short-term risk of earnings per share being diluted. However, in the long term, the funds raised from the Issuance will help reduce the Company's financial expenses and enhance its overall development and profitability, thus strengthening the Company's core competitiveness.

Chapter VI Board of Directors' Discussion and Analysis on the Impact of the Issuance on the Company

I. Changes in the Company's Business and Assets, Articles of Association, Shareholder Structure, Senior Executive Structure and Business Structure after the Issuance

(I) Impact of the Issuance on the Company's business and assets

Upon closing of the Issuance, the raised funds will be used for the development, construction and operation of the Company's clean energy projects. Such raised funds will greatly relieve the current financial strain on the Listed Company, strongly support the development of the Company's major businesses, and further improve its overall profitability, boosting the Company's long-term sustainable development.

(II) Impact of the Issuance on the Articles of Association

Upon closing of the Issuance, the Company's registered capital and total share capital will increase. The Company will modify the relevant provisions in the *Articles of Association* according to the actual situation of issuance, and go through the formalities for industrial and commercial registration of changes.

(III) Impact of the Issuance on the equity structure

Before the Issuance, the Company had a total share capital of 7,454,179,797 shares, and the number of shares to be issued is 550,314,465. Upon closing of the Issuance, the Company's total share capital will increase to 8,004,494,262 shares.

Upon closing of the Issuance, it is expected that the ratio of the shares of the Company held by SDIC to the total share capital of the Company is 47.79%. It is still the Company's controlling shareholder, and the SASAC of the State Council is still the Company's actual controller. Therefore, the Issuance will not change the control of the Company.

Upon closing of the Issuance, the Company's equity structure will still make it eligible for listing on the Shanghai Stock Exchange.

(IV) Impact of the Issuance on the structure of the Board of Directors and senior executives

There will be no major change in the Company's senior executive structure upon closing of the Issuance.

According to the strategic cooperation agreement between the Company and NCSSF, NCSSF shall be entitled to nominate a qualified non-independent director candidate to the Company upon closing of the Issuance. After being elected as a director of the Company through the necessary deliberative processes, the non-independent director candidate nominated by NCSSF will participate in the decision-making of the Company's Board of Directors and play an active role in corporate governance. The Company will endeavor to facilitate the approval of proposals by the Board of Directors and the Board of Shareholders.

(V) Impact of the Issuance on the business structure

Upon closing of the Issuance, there will be no significant change in the Company's business structure.

II. Changes in the Company's Financial Conditions, Profitability and Cash Flows after the Issuance

The impact of the Issuance on the Company's financial conditions, profitability and cash flows is as follows:

(I) Impact on the Company's financial conditions

Once the funds raised from the Issuance are in place, the Company's total assets and net assets will increase, and its asset-liability ratio will further decline. The Company's optimized financial structure will effectively reduce financial risks and support its sustainable development.

(II) Impact on the Company's profitability

Once the funds raised from the Issuance are in place, the Company's total share capital will increase, and there is a risk that earnings per share will be diluted in the short

term. However, in the long run, the funds raised from the Issuance will help reduce the financial expenses of the Company, strongly support the development of the Company's main business, guarantee the accelerated implementation of clean energy projects, improve the overall development and profitability of the Company, and strengthen the Company's comprehensive competitive strength.

(III) Impact on the cash flow of the Company

Upon the completion of the Issuance, the cash inflows from fund-raising activities of the Company will increase significantly as the raised funds are available; with the rational use of raised funds, the net cash flow from operating activities of the Company is expected to increase accordingly as the Company's revenues and profits grow.

III. Changes in the Business Relationships, Management Relationships, Related-party Transactions and Horizontal Competition between the Company and the Controlling Shareholder and Its Related Person

Upon the completion of the Issuance, the business relationships, management relationships, etc. between the Company and the controlling shareholder and its related person will not change. Upon the completion of the Issuance, no related-party transactions and horizontal competition will arise between the Company and the controlling shareholder and its related person due to the Issuance.

IV. Whether the Funds and Assets of the Company Will Be Occupied by the Controlling Shareholder and Its Related Person or Whether the Company Will Provide a Guarantee for the Controlling Shareholder and Its Related Person upon the Completion of the Issuance

Upon the completion of the Issuance, the funds and assets of the Company will not be subject to non-operating occupation by the controlling shareholder, the actual controller and their related persons, and the Company will not provide a guarantee for the controlling shareholder, the actual controller and their related persons.

V. Impact of the Issuance on the Company's Liabilities

After the funds raised from the Issuance are available, the Company's total and net

assets will increase simultaneously, its asset-liability ratio will further decrease, its financial position and asset structure will be further improved, and its risk resistance capacity will be further enhanced to facilitate the realization of long-term sustainable development.

Chapter VII Relevant Risks of the Issuance

The Company's investors shall give particularly serious consideration to the following risk factors in addition to the other data provided in the Tentative Plan while evaluating the Issuance of the Company:

I. Policy and Market Risks

(I) Macroeconomic risk

The power industry is closely related to the macroeconomic operation and development cycle. With the cyclical changes of the macroeconomy, the demand in the power market will also change, which in turn will have a certain degree of impact on the Company's operation and business development.

(II) Electricity price fluctuation risk

China is promoting the reform of the electricity trading system. It aims to fully implement the national energy strategy, accelerate the establishment of a market structure and system for effective competition, and create a mechanism where energy prices are primarily determined by the market. With the structural adjustment of the electric power industry and the deepening of the reform of the electricity price formation mechanism, the fluctuation in the price of electricity traded in the market may have a certain impact on the Company's operation.

(III) Fuel price fluctuation risk

By the end of Q2 2024, the installed capacity of thermal power (including waste-to-energy generation) put into operation by the Company accounted for 31.47% of the holding installed capacity, and the thermal power business was an important part of the Company's main business. Coal, as the fuel for the thermal power business, constitutes one of the main costs of a thermal power enterprise. The changes in coal prices directly affect the cost expenditure and profit level of a thermal power enterprise. Due to the changes in factors including coal production capacity, demand and transportation, fluctuations in coal prices will have an impact on the Company's profitability.

II. Operating Risks

(I) Risk of seasonal water inflow and extreme weather in hydropower business

By the end of Q2 2024, the installed capacity of hydropower put into production by the Company accounted for 50.78% of its holding installed capacity, and the production and operation of hydropower had an important impact on the Company's profitability. The hydropower units operated by the Company are distributed in different river basins in Sichuan, Yunnan and Gansu. The hydropower business is affected by natural factors, and power generation and operating results are highly dependent on water inflows. In general, a year with abundant river flow has more power generation and a year with small river flow has less power generation; moreover, in different months of the same year, hydropower generation also shows apparent cyclicity due to the impact of high and low water periods of rivers, resulting in seasonal and cyclic fluctuations in its profitability. Most of the Company's hydropower units under construction are located in remote mountains. During the rainy season, natural disasters such as mudslides may have an impact, i.e. bring uncertainty to the commissioning of the units. If the hydropower business underperforms due to the impact of seasons, climate changes and natural disasters on the operation and construction of hydropower stations, the overall operation of the Company will be adversely affected.

(II) New energy business development risk

In recent years, the Company has actively optimized its power supply structure by prioritizing the development of hydropower and orderly developing new energy businesses such as wind and solar power. By the end of Q2 2024, the installed capacity of wind power and solar power put into operation by the Company accounted for 7.76% and 9.99% of the holding installed capacity respectively. Although the Company's new energy business has good development prospects and profitability, new business exploration may pose risks to the Company due to the differences between different power generation businesses in terms of process flow, power generation technology and industry policies. If the actual gains from the new business fail to reach the expected level, the Company's operating results will be affected.

(III) Overseas operation risk

During the reporting period, the Company actively explored overseas business, continued to delve deep into the overseas renewable energy market and further

optimized the asset layout, and the strategy of "going global" began to bear fruit. However, the operation of overseas projects puts higher requirements on the Company's production, operation, and management capabilities. For instance, the economic development of the regions where the projects are located, the economic policy environment, exchange rate fluctuations, etc. will directly affect the operating results of overseas projects, thus exposing the Company to certain overseas operation risks.

(IV) Work safety risk

The Company's main business is the production and sales of electricity. Safety has an important impact on enterprises, and the state has higher and higher requirements on the work safety standards of enterprises, which will increase the Company's investment in work safety costs. Some of the Company's projects under construction are located in mountainous areas in Southwest China and characterized by harsh natural conditions, complex terrain and geology, many construction teams, long construction periods, and high safety management risks. If a major safety accident happens during production, the Company's production and operation will be adversely affected.

(V) Environmental risk

In recent years, the Company has vigorously promoted the development of renewable energy, the installed capacity and proportion of clean energy have increased year by year, and the overall power supply structure has been further improved. However, thermal power still accounts for a certain proportion. As the discharge of pollutants including wastewater, waste gas and coal ash by thermal power enterprises during production needs to meet the standards set by environmental protection departments, an increase in environmental protection costs caused by higher environmental protection requirements cannot be ruled out in the future, which may adversely affect the Company's operating results and financial position.

III. Financial Risks

(I) Risk of dilution of immediate returns on the issuance of shares to the specific object

The total share capital of the Company will increase upon the completion of the Issuance, and the net asset scale of the Company will also increase after the raised funds

become available. However, it will take a certain process and some time to generate economic benefits from the raised funds. Therefore, in the short term, the Company's earnings per share and return on equity may decline to a certain extent. The Company hereby kindly requests investors to pay attention to the risk of dilution of the Company's immediate returns and to the fact that the Company's measures to compensate for the dilution of immediate returns are not equivalent to a guarantee of the Company's future profits.

(II) Risk of greater demand for capital expenditure

To continuously expand the production and operation scale, the Issuer will still maintain a large capital expenditure in each business segment in the future. A large capital expenditure may lead to increased financing scale and asset-liability ratio of the Issuer. If an invested project fails to generate the expected benefits, the future production and operation and debt repayment of the Issuer will be adversely affected.

(III) Risk of higher asset-liability ratio

The power industry is capital-intensive, and the power source construction of the Company and its subsidiaries is characterized by large investments and long construction periods. Moreover, with the continuous expansion of the Company's business structure and the gradual enlargement of the investment scale, the Company's new and ongoing projects are large in scale and also demand more funds accordingly, leading to a high asset-liability ratio of the Company. At the end of reporting periods, the Company's asset-liability ratio was 63.51%, 63.75%, 63.18% and 63.82% respectively.

Although the Company's main holding power enterprise has strong profitability and is also capable enough to repay the principal and interest of debt in the future, the Company now has many ongoing and proposed projects, which require strong financial support. The uncertainties of the future interest rate level and national credit policy will still have a certain impact on the Company's borrowing and payment of interest expenses and, consequently, may adversely affect the Company's operating results.

IV. Risks of Projects Invested with Raised Funds

The funds raised from the Issuance will be used for the construction of the Mengdigou Hydropower Station Project and the Kala Hydropower Station Project. The implementation of the projects invested with raised funds will enhance the Company's overall strength and profitability and is expected to bring desirable investment returns for the Company in the future.

During the implementation of the project investment, there may be problems such as project delay, investment overrun, failure of equipment to meet the design specifications and unstable operation, all of which may affect the feasibility and actual economic benefits of the projects; after the completion of the projects, their actual operating capacity will be affected by the operating conditions of the equipment, climate change, etc., and their operating costs may also be affected by factors such as periodic changes in relevant economic and industrial policy environment, market environment and economic development. In the event of significant changes in the foregoing factors, the actual construction progress, production capacity and operating benefits of the new projects invested with raised funds may differ to a certain extent from the current expectations, which in turn may have a certain impact on the Company's operating results.

Although the Company has conducted sufficient and prudent research and demonstration for the projects invested with raised funds from the Issuance, they may still be affected by factors such as national industrial policy, industry development, project progress and manpower input, which may result in project delays, failure to achieve implementation results as expected, etc.

V. Other Risks

(I) Stock price fluctuation risk

The Issuance will have a certain impact on the Company's future production, operation and profitability, and changes in the Company's fundamentals will affect the share price. In addition, the share price is also affected by multiple factors including national macroeconomic status, industry prosperity and investors' psychological expectations, and the share price fluctuations may deviate from the Company's fundamentals to a certain extent. Therefore, investors are kindly requested to pay attention to the relevant risks.

(II) Risk related to the Issuance

The Issuance is still subject to a number of conditions, including but not limited to the approval of the competent state-owned assets regulator or its authorized body, the deliberation and approval of the Company's general meeting of shareholders, the review and approval of the Shanghai Stock Exchange, and the approval for registration of CSRC. As of the announcement date of the Tentative Plan, the above approval items have not been completed. There are uncertainties as to whether the relevant approvals or ratification can be obtained and the timing of such approvals or ratification. Therefore, there are uncertainties regarding whether the Issuance will ultimately be successfully implemented.

Chapter VIII Board of Directors' Description on Profit Distribution Policy and Cash Dividends

I. The Company's Profit Distribution Policy

According to the *Articles of Association*, the Company's policy related to profit distribution is as follows: "

10.1.8 The Company's profit distribution policy is:

(I) Profit distribution principle

The Company's profit distribution should pay attention to the reasonable returns on investment to the public shareholders, aiming at sustainable development and safeguarding shareholders' rights and interests, and the Company should maintain the continuity and stability of the profit distribution policy.

The Company's profit distribution shall not exceed the range of accumulated distributable profits, and shall not prejudice the Company's ability to continue as a going concern.

(II) Profit distribution form

The Company distributes profits by cash, stock, combination of cash and stock, or other reasonable means in line with laws and administrative regulations.

The Company gives priority to the profit distribution method of cash dividends.

When distributing profits in cash, the Company shall fully consider the capital needs of daily production and operation activities and investment activities in the future as well as the cost and efficiency of financing from banks and securities markets in the future to ensure that the distribution scheme does not affect the Company's going concern and development.

When distributing profits by means of stocks, the Company should fully consider real and reasonable factors such as the Company's growth and the dilution of net assets per share and compatibility of total shares after profit distribution with the Company's scale of operation, so as to ensure that the distribution scheme is in line with the overall interests of shareholders of the Company.

(III) Specific conditions and proportions for cash dividends

Under the condition that the Company is profitable in the current year and has no unrecovered losses, if there are no major investment plans or major cash expenditures, the Company shall distribute dividends in cash.

Major investment plans or major cash expenditures refer to that the Company plans to outbound invest, acquire assets or purchase equipment in the next 12 months (except for the projects of raised funds), and the accumulated expenditure reaches or exceeds 30% of the latest audited net assets of the Company or a single cash expenditure item exceeds RMB 500 million.

The cumulative cash dividends distributed by the Company in recent three years are no less than thirty percent of the average annual profits available for distribution in recent three years.

(IV) Specific conditions for issuing stock dividends

On the basis of giving priority to cash dividends, when the Company is in good operating condition, and the scale of share capital is reasonable, and the Board of Directors of the Company thinks that issuing stock dividends is beneficial to the growth of the Company and the interests of all shareholders, a stock dividend distribution plan can be put forward.

(V) Interval between profit distribution periods

The Company shall put forward a profit distribution scheme at the annual meeting of the Board of Directors and implement it after being approved by the general meeting of shareholders.

Under the condition of meeting the aforesaid cash dividends, the Company shall make a cash dividend once a year. According to the Company's profitability and capital demand, and upon the proposal of the Company's Board of Directors and the approval of the General Meeting of Shareholders, medium-term cash dividends may also be distributed.

(VI) The Board of Directors of the Company shall distinguish the following cases and put forward differentiated cash dividend policy according to the procedures specified in Articles of association by considering its industrial

characteristics, development stage, business model, profitability, debt repayment ability, major capital expenditure arrangement, and investor returns:

1. If the Company is at a mature development stage, without major capital expenditure arrangement, cash dividends shall account for at least 80% of the distributed profits;

2. If the Company is at a mature development stage, with a major capital expenditure arrangement, cash dividends shall account for at least 40% of the distributed profits;

3. If the Company is at a growth development stage, with a major capital expenditure arrangement, cash dividends shall account for at least 20% of the distributed profits;

The development stage at which the Company distributes dividends shall be determined by the Board of Directors based on the specific situation. If the actual development stage of the Company cannot be identified, and the Company has a major capital expenditure arrangement, it is still allowed to make decisions based on the provisions of (III).

(VII) If the profit distribution policy is adjusted due to the needs of the Company's production and operation and long-term development, the interests of shareholders shall be first protected. The adjusted profit distribution policy shall not violate the relevant laws, regulations, normative documents and the relevant provisions of Articles of association. The adjustment scheme of the profit distribution policy shall seek the opinions of supervisors in advance. It shall be submitted to the general meeting of shareholders for deliberation after being reviewed and approved by the Board of Directors. Then, it shall be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting of shareholders.

(VIII) The proportion of cash dividend in this profit distribution shall be obtained by making cash dividend divided by the sum of cash dividend and stock dividend.

II. Profit Distribution and Use of Undistributed Profits in Recent Three Years

(I) Profit distribution in recent three years

On June 19, 2024, the Company convened its 2023 Annual General Meeting of Shareholders, where the 2023 Profit Distribution Scheme was deliberated and approved. The profit distribution was calculated based on a total share capital of 7,454,179,797 shares as of the end of 2023. A cash dividend, inclusive of taxes, of RMB 0.4948 per share was disbursed, amounting to an aggregate cash dividend payout of approximately RMB 3,688,328,163.56.

On June 27, 2023, the Company convened its 2022 Annual General Meeting of Shareholders, where the 2022 Profit Distribution Plan was presented for deliberation and subsequently approved. The profit distribution was calculated based on a total share capital of 7,454,179,797 shares as of the end of 2022. A cash dividend, inclusive of taxes, of RMB 0.275 per share was distributed, amounting to an aggregate cash dividend payout of approximately RMB 2,049,899,444.18.

On June 22, 2022, the Company convened its 2021 Annual General Meeting of Shareholders, where the 2021 Profit Distribution Scheme was presented for deliberation and subsequently approved. The profit distribution was calculated based on a total share capital of 7,454,179,797 shares as of the end of 2021. A cash dividend, inclusive of taxes, of RMB 0.1635 per share was disbursed, amounting to an aggregate cash dividend payout of approximately RMB 1,218,758,396.81.

The Company's cash dividends for the past three years are detailed in the table below:

Unit: RMB 10,000			
Item	2023	2022	2021
Cash dividends (tax inclusive)	368,832.82	204,989.94	121,875.84
Net profit attributable to owners of the parent company	670,493.70	407,937.57	243,689.18
Cash dividends/net profit attributable to owners of the parent company in the current period	55.01%	50.25%	50.01%
Accumulated cash dividends in recent three years	695,698.60		
Average annual net profit attributable to owners of the parent company in recent three years	440,706.82		

Item	2023	2022	2021
Accumulated cash dividends in recent three years/average annual net profit attributable to owners of the parent company in the recent three years			157.86%

The accumulated cash dividends of the Company in recent three years are RMB 6,956.99 million and the average annual net profit attributable to owners of the parent company realized by the Company in recent three years is RMB 4,407.07 million. The proportion of the accumulated cash dividends in recent three years in the average annual net profit attributable to owners of the parent company in recent three years is 157.86%.

(II) Use of undistributed profits in recent three years

After the withdrawal of the statutory surplus reserve from the net profits attributable to shareholders of the parent company realized by the Company in recent three years and the distribution of such net profits to shareholders, the remaining undistributed profits of the current year shall be transferred to the next year for further business development and later profit distribution.

III. The Company's Shareholders' Returns Planning from 2024 to 2026

(I) Factors to be considered in formulating this Planning

The Company formulates this Planning by focusing on long-term and sustainable development, comprehensively considering the specific situation and development goals of the Company, shareholders' requirements and wishes, social capital costs, external financing environment and other factors, and fully considering and listening to the requirements and wishes of shareholders, especially minority shareholders, to establish a sustainable, stable and scientific returns planning and mechanism for investors, thus making institutional arrangements for dividend distribution to ensure the continuity and stability of dividend distribution policies.

(II) Formulation Principles of this Planning

The formulation of this Planning should fully consider and listen to the opinions of independent directors, supervisors and public shareholders on the premise of complying with relevant laws and regulations and relevant profit distribution provisions in the *Articles of Association*. According to the actual business development and capital

demand, full attention should be paid to the reasonable return on investment for public shareholders, while taking into account the short-term interests and long-term development of the Company, the overall interests of all shareholders and the sustainable development of the Company.

(III) Specific shareholders' returns planning in the next three years (2024 - 2026)

1. Profit distribution principle

The Company's profit distribution policy maintains continuity and stability while considering the Company's long-term interests, the overall interests of all shareholders and the Company's sustainable development; In order to ensure the long-term basic returns of investors, the Company insists on paying dividends at least once a year on the basis of careful consideration of dividend levels over the years, capital expenditure plan of the current year, return on net assets, the average stock price level of the current period and other factors.

2. Profit distribution form

The dividends may be distributed by the Company by way of cash, stocks or a combination of both. If conditions permit, the Company can make medium-term profit distribution.

3. Proportion of cash dividends

The accumulated profit distributed by the Company in cash in recent three years shall not be less than 30% of the average annual distributable profit realized in the recent three years, and the profit to be distributed by the Company in cash in 2024-2026 shall not be less than 55% of the distributable profit in that year in principle.

4. Specific conditions for issuing stock dividends

When the Company is operating well, and the Board of Directors believes that the price of the Company's stock does not match the size of the Company's share capital and that the distribution of stock dividends is beneficial to the overall interests of all shareholders of the Company, a stock dividend distribution scheme may be put forward under the condition of meeting the above cash dividend distribution.

5. Implementation of the Company's profit distribution scheme

After a resolution with respect to profit distribution scheme is passed at the general meeting of shareholders of the Company, the Board of Directors shall complete such distribution of dividends (or shares) within 2 months upon adoption of such resolution.

IV. Decision-making Mechanism of Shareholders' Returns Planning in the Next Three Years

1. When the Company distributes profits, the Board of Directors of the Company shall first formulate the distribution scheme, and then submit it to the general meeting of shareholders of the Company for deliberation.

2. When the Company prepares the cash dividend scheme, the Board of Directors shall carefully study and demonstrate the opportunity, conditions, minimum proportion, conditions of adjustment and decision-making procedure requirements of cash dividends. If independent directors believe that the specific scheme for cash dividends may harm the rights and interests of the Company or minority shareholders, they have the right to express independent opinions. If the Board of Directors has not adopted or fully adopted the opinions of independent directors, the opinions of independent directors and the specific reasons for not adopting them shall be recorded in the resolution of the Board of Directors and disclosed.

3. Before the deliberation of cash dividend scheme by the General Meeting of Shareholders, the Company shall actively communicate with the shareholders (especially small and medium shareholders) through various channels, fully take the advice and demands of small and medium shareholders and answer the questions raised by small and medium shareholders in a timely manner.

4. The Company shall disclose the preparation and execution of cash dividend policy in annual report in detail.

5. The Company shall strictly implement the cash dividend policy determined according to the Articles of Association and the cash dividends scheme reviewed by the General Meeting of Shareholders. In case of force majeure or the change of external operating environment seriously influencing the Company's production and management, or major change of the Company's operation state, the Company may

adjust the profit distribution policy. The adjustment of profit distribution policies by the Company shall meet the conditions stipulated in the Articles of Association. After a detailed demonstration, the corresponding decision-making procedures shall be performed and approved by more than two-thirds of the voting rights held by shareholders attending the General Meeting of Shareholders.

Chapter IX Analysis on Dilution of Immediate Returns from the Issuance of Shares to the Specific Object

I. The Impact of the Issuance on the Company's Key Financial Indicators

In accordance with the requirements of relevant laws, regulations, and normative documents such as the *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market* (GBF [2013] No. 110), the *Several Opinions of the State Council on Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets* (GF [2024] No. 10), and the *Guiding Opinions on Relevant Issues Related to Immediate Return Diluted by Initial Public Offering, Refinancing and Major Asset Restructuring* (CSRC Announcement [2015] No. 31), to protect the interests of small and medium-sized investors, the Company has carefully analyzed the impact of the Issuance of shares to the specific object on the dilution of immediate returns and has formulated specific remedial measures on dilution of immediate returns. Relevant entities have made commitments to ensure that the remedial measures planned by the Company are effectively implemented. The specific details of these commitments are as follows:

(I) Key assumptions

1. Assuming the Issuance is completed in November 2024 (this projected date is for calculating the impact of the dilution of immediate returns on key financial indicators only and does not constitute a commitment to the actual issuance completion date; the final date will be subject to registration by the CSRC and the actual issuance completion time).

2. Assuming the number of shares issued is 550,314,465 (the final number of shares issued will be based on the actual number of shares issued after registration with CSRC). Should the Company experience changes in its share capital, such as bonus issue or increase of capitals by converting accumulation funds, between the pricing base date

and the issue date, the number of shares issued will be adjusted accordingly. Assuming the total amount of funds raised is RMB 7 billion (excluding issuance expenses).

3. The number of shares issued, the amount of funds raised, and the issuance date for the Issuance are only assumptions for calculation purposes. The final numbers will be based on the actual number of shares issued, the results of the issuance, and the actual date.

4. Assuming there are no significant changes in the macroeconomic environment, industrial policies, industry development conditions, and market conditions.

5. This calculation does not consider the impact of the funds raised from the Issuance on the Company's production and operations, financial condition (such as financial expenses and investment income), or other related factors.

6. According to the Company's 2023 annual report, the net profit attributable to the shareholders of the parent company for 2023 was RMB 6,704.937 million, and the net profit attributable to the shareholders of the parent company, excluding non-recurring profit or loss, was RMB 6,589.3785 million. Assuming that the net profit attributable to the shareholders of the parent company for 2024, whether or not deducting non-recurring profit or loss, is calculated based on the 2023 figures under three scenarios: remaining the same, increasing by 10%, and increasing by 20%.

7. In calculating the number of ordinary shares outstanding, only the impact of the Issuance on the total share capital is considered, without accounting for changes in share capital due to stock repurchase, cancellation, or increase of capitals by converting accumulation funds.

The above assumptions are solely for calculating the impact of this transaction's dilution on immediate returns and key financial indicators. They do not represent the Company's judgment on future operational conditions and trends, nor do they constitute profit forecasts. The investors shall not make an investment decision based on such assumptions. If yes, the Company will not shoulder the responsibility for the losses

caused thereby.

(II) The impact of the Issuance on the Company's key financial indicators

Based on the above assumptions, the Company has calculated the impact of the Issuance on earnings per share. The results of the calculation are as shown in the table below:

Item	Amount		
Number of shares of the Issuance (shares)	550,314,465		
Item	2023 /December 31, 2023	2024/December 31, 2024	
		Before issuance	After issuance
Total capital stock at the end of the period (shares)	7,454,179,797	7,454,179,797	8,004,494,262
Assumption 1: The net profit attributable to the ordinary shareholders of the listed company for 2024, as well as the net profit attributable to the ordinary shareholders of the listed company after excluding non-recurring profit or loss, will remain the same as in 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	670,493.70	670,493.70
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	658,937.85	658,937.85
Basic earnings per share (RMB/share)	0.88	0.88	0.87
Diluted earnings per share (RMB/share)	0.88	0.88	0.87
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.86	0.85
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.86	0.85
Assumption 2: The net profit attributable to the ordinary shareholders of the listed company for the year 2024, as well as the net profit attributable to the ordinary shareholders after deducting non-recurring profit or loss, increased by 10% compared to 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	737,543.07	737,543.07

Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	724,831.64	724,831.64
Basic earnings per share (RMB/share)	0.88	0.97	0.96
Diluted earnings per share (RMB/share)	0.88	0.97	0.96
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.95	0.94
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.95	0.94
Assumption 3: The net profit attributable to the ordinary shareholders of the listed company for the year 2024, as well as the net profit attributable to the ordinary shareholders after deducting non-recurring profit or loss, increased by 20% compared to 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	804,592.44	804,592.44
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	790,725.42	790,725.42
Basic earnings per share (RMB/share)	0.88	1.06	1.05
Diluted earnings per share (RMB/share)	0.88	1.06	1.05
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	1.04	1.03
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	1.04	1.03

Note: "The calculation formulas for basic earnings per share and diluted earnings per share are in accordance with the requirements of the *Guiding Opinions on Relevant Issues Related to Immediate Return Diluted by Initial Public Offering, Refinancing and Major Asset Restructuring* formulated by the China Securities Regulatory Commission and the provisions of the *Information Disclosure Compilation Rules for Companies that Offer Securities to the Public No. 9-Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010)*. "

After the completion of the Issuance, the Company's total share capital and net assets will increase. If the Company's business scale and net profit do not achieve a

corresponding increase, it is expected that financial indicators such as earnings per share and the weighted average return on net assets will decline to some extent after the Issuance, resulting in a risk of dilution of shareholders' immediate returns. Furthermore, if there are significant changes in the assumptions or the Company's operating conditions discussed above, the possibility that the Issuance will lead to a change in the dilution of immediate returns cannot be ruled out.

Investors are hereby reminded to be aware of the potential risk of dilution of immediate shareholder returns from the Issuance.

II. Analysis on Necessity and Rationality of the Issuance and Relevance between the Projects Invested with Raised Funds and the Company's Existing Business

(I) Analysis on the necessity and rationality of the Issuance

For the analysis on the necessity and rationality of the Issuance, please refer to "II. Background and Purpose of the Issuance" in "Chapter I Overview of the Issuance" and "II. Necessity and Feasibility Analysis on the Use of Raised Funds" in "Chapter V Feasibility Analysis on the Use of Raised Funds by the Board of Directors" of the Tentative Plan.

(II) The relationship between the projects invested with raised funds and the Company's existing business, and the Company's reserves in personnel, technology, and market aspects for the projects invested with raised funds

All the funds raised in the Issuance by the Company will be used for the investment, development, construction, and operation of clean energy projects, and related projects invested with raised funds will be closely focused on the Company's existing business. The Company has accumulated rich experience in the construction and operation of related clean energy projects in daily production and operation, and possesses sufficient reserves in personnel, technology, market, etc., which lays a sound foundation for its successful implementation of related fundraising projects.

III. Remedies for the Dilution of Immediate Returns from the Issuance

The Issuance may lead to a decrease in investors' immediate returns. In order to protect investors' interests, the Company intends to enhance its competitiveness through various ways to fill shareholders' returns. The specific measures are as follows:

(I) Strengthen the management of raised funds and improve the efficiency of funds use

In accordance with the *Company Law*, the *Securities Law*, the *Measures for the Administration of Registration of Securities Offering by Listed Companies*, the *Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-regulation of Listed Companies - Standardized Operation* (December 2023 Revision), etc., the Company will formulate and continuously improve the *Management System of Raised Funds*, clearly stipulating the storage, use, change of use, management and supervision of special accounts for raised funds, so as to ensure the Company's standardized and effective use of raised funds. Once the raised funds are paid upon the Issuance, the Board of Directors of the Company will continue to supervise the Company's depositing of raised funds into special accounts, ensure the use of raised funds for designated purposes, conduct internal audits of raised funds on a regular basis, and cooperate with regulatory banks and sponsors to inspect and supervise the use of raised funds, so as to ensure the reasonable and standardized use of raised funds and reasonably prevent any and all risks associated to raised funds.

(II) Improve the overall management and provide institutional guarantee for the Company's development

In compliance with the *Company Law*, the *Securities Law*, the *Code of Corporate Governance of Listed Companies*, and other laws and regulations, normative documents, etc., the Company will constantly improve the corporate governance structure to ensure that shareholders can fully exercise their rights, that the Board of Directors can exercise its functions and powers according to the laws, regulations and the *Articles of*

Association and make scientific, prompt and prudent decisions, that independent directors can conscientiously perform their duties and safeguard the overall interests of the Company, especially the legitimate rights and interests of minority shareholders, and that the Supervisory Committee can independently and effectively exercise the right to supervise and inspect the directors, managers and other senior executives and the Company's finances, and provide institutional guarantee for the Company's development.

The Company will improve and perfect its business processes, further promote the deep integration of enterprise management with laws and regulations, continuously optimize the management and control interface between the Company and its subsidiaries, further strengthen the system construction by combing and improving the system hierarchy, decision-makers and management processes, establish a scientific and efficient management system, and improve the ability of risk prediction, proactive response and resolution. In addition, the Company will strengthen the management and control of investments, mergers and acquisitions, operation management and capital operation process for domestic and foreign projects to ensure legal compliance and steady operation. Through the above measures, the Company will comprehensively improve its management system, thereby enhancing the Company's operating results.

(III) Continuously improve the profit distribution policy and strengthen the investor return mechanism

In accordance with the *CSRC Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies* (ZJF [2012] No. 37), the *Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies* (2023 Revision), etc., on the basis of fully considering the actual situation of the Company's operation and development, shareholders' returns and other factors, the Company will further clarify the return on equity dividends to shareholders, and continuously improve and refine the provisions on dividend distribution principles in the Articles of Association to enhance the transparency and operability of dividend distribution decisions. In the future, the Company will strictly implement the profit distribution

policy, actively implement the profit distribution to shareholders and optimize the return on investment mechanism in line with the distribution conditions.

The formulation by the Company of the above-mentioned remedies does not mean that the Company makes any guarantee for future profits. Please pay attention to investment risks.

IV. Commitments of Stakeholders

(I) Commitments of the Company's controlling shareholder

In order to ensure that the remedies for any dilution of immediate returns through the Issuance can be effectively implemented, the Company's controlling shareholder, undertakes as follows:

1. Not to interfere with the Company's management beyond its authority or encroach on the Company's interests; and
2. To make supplementary commitments in accordance with the latest regulations of relevant regulatory agencies, if the CSRC, the Shanghai Stock Exchange and other relevant regulatory agencies make such latest regulations on the remedies for any dilution of immediate returns and related commitments from the date of this commitment to the date when the Company's issuance to the specific object is completed, and the original commitment cannot meet the requirements of these regulatory agencies.

(II) Commitments of the Company's directors and senior executives

In order to ensure that the remedies for any dilution of immediate returns through the Issuance can be effectively implemented, SDIC, the Company's directors and senior executives undertake as follows:

1. Not to offer benefits to any other entities or individuals at no cost or upon unfair conditions, nor jeopardize the Company's interest in other ways;
2. To restrain their position-related consumption;
3. Not to use the assets of the Company to engage in any investment or consumption

activities not related to the performance of their duties;

4. To support the Board of Directors of the Company to associate the formulation, amendment and supplement of the rules on remuneration for directors and senior executives to the implementation of the Company's remedies;

5. To associate the proposed exercise conditions for the Company's stock ownership incentives to the implementation of the Company's remedies, if the Company subsequently launches any stock incentive policy; and

6. To make supplementary commitments in accordance with the latest regulations of relevant regulatory agencies, if the CSRC, the Shanghai Stock Exchange and other relevant regulatory agencies make such latest regulations on the remedies and related commitments from the date of this commitment to the date when the Company's issuance to the specific object is completed., and the original commitment cannot meet the requirements of these regulatory agencies.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024

Annex II

SDIC Power Holdings Co., Ltd.

(Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District,
Beijing)



**Demonstration and Analysis Report on the
Issuance of A Shares to the Specific Object —
National Council for Social Security Fund of The
People's Republic of China in 2024**

September 2024

SDIC Power Holdings Co., Ltd. (hereinafter referred to as "SDIC Power" or the "Company") is a company listed on the main board of the Shanghai Stock Exchange. In order to meet the capital needs of the Company's business development and enhance the Company's capital strength and profitability, in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Registration of Securities Offering by Listed Companies* (hereinafter referred to as the "*Registration Administration Measures*"), and other relevant laws, administrative regulations, departmental rules or normative documents, as well as the provisions of the *Articles of Association*, the Company has prepared the *Demonstration and Analysis Report on the Plan for Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

Unless otherwise specified in the demonstration and analysis report, relevant terms have the same meanings as those set forth in the *Tentative Plan of SDIC Power Holdings Co., Ltd. for Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

I. Background and Purpose of the Issuance of Shares to the Specific Object

Through the Issuance, the Listed Company shall introduce the NCSSF as a strategic investor and give full play to its advantages and role of long-term fund and patient capital, which shall play a leading and exemplary role in improving the inherent stability of the capital market and boosting investor confidence. At the same time, the funds raised this time shall be used entirely for the investment, development, construction and operation of clean energy projects, which is a specific and active response to the national "dual carbon" goals. It is of great significance to alleviate the listed company's capital shortage at the present stage and promote the rapid development of its main business.

(I) Background of the Issuance of shares to the specific object

1. The State Council actively promotes the entry of medium- and long-term funds into the market to improve the internal stability of the capital market

(1) The introduction of medium- and long-term fund is of great significance to improving the quality of listed companies

The capital market plays an important role in financial operations, and listed companies are the cornerstone of the capital market. In October 2020, the State Council issued the *Opinions on Further Improving the Quality of Listed Companies*, requiring listed companies to become better and stronger, and clearly proposing to "explore the establishment of a long-term assessment mechanism for institutional investors to attract more medium- and long-term funds into the market." In January 2024, the executive meeting of the State Council was held, emphasizing that enhancing the fundamental systems of the capital market, elevating the quality of the listed company, facilitating the influx of medium- and long-term capital, and intensifying regulatory oversight will be the key priorities in stabilizing the market and strengthening investor confidence.

In this context, CSRC, along with other relevant departments, has rolled out a suite of policies to provide guidance and incentives for medium- and long-term capital to enter the market. On September 10, 2023, the National Financial Regulatory Administration issued the *Notice on Optimizing Regulatory Standards for Solvency of Insurance Companies* to enhance the enthusiasm of insurance funds in allocating blue-chip stocks and technology stocks. On October 30, the Ministry of Finance issued the *Notice on Guiding Insurance Funds to Make Long-term and Sound Investment and Strengthening the Long-period Assessment of State-owned Commercial Insurance Companies* to guide and enhance the enthusiasm and stability of insurance fund equity investment. In November 2023, the CSRC stated that it would continue to strengthen departmental coordination, issue the *Action Plan for Investment Side Reform of Capital Market* as soon as possible, increase the introduction of medium- and long-term funds, improve the enthusiasm and stability of various medium- and long-term funds in participating in the capital market, and promote the positive interaction between medium- and long-term funds such as social security fund, basic pension insurance fund, annuity fund and insurance fund and the capital market as a whole. On March 15, 2024, the CSRC issued the *Opinions on Strengthening the Supervision of Listed Companies (Trial)*, in which Article 16 clearly states that "listed companies are encouraged to actively attract long-term institutional investors and facilitate their participation in corporate governance". On April 12, 2024, the State Council issued *Several Opinions of the State Council on*

Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets, which clearly states: "vigorously promote the entry of medium- and long-term capital into the market, and continuously strengthen the force of long-term investment; establish a market ecosystem that fosters long-term investment, improve the basic systems compatible with long-term investment, and build a policy system that supports 'long-term capital for long-term investment'", and "improve the investment policies of the National Social Security Fund and the Basic Pension Insurance Fund."

(2) As a long-term fund investment institution, NCSSF can give full play to the advantages of long-term funds and patient capital.

The NCSSF promotes the establishment of a stable capital injection mechanism, explores and expands new sources of funds, and establishes an employment and replenishment mechanism. It adheres to and continuously enriches the concept of "long-term investment, value investment and responsibility investment", constantly improves the performance appraisal mechanism suitable for long-term investment, and gives full play to the advantages and role of funds under management as long-term funds and patient capital. In September 2022, NCSSF formulated and issued the *Guidelines on Industrial Investment of the National Council for Social Security Fund of The People's Republic of China*, which clarified the medium- and long-term development plan of industrial investment of NCSSF and further improved the management and operation system of industrial investment. In industrial investment management, NCSSF has actively given full play to the long-term capital advantage and market-leading role, so as to increase the long-term equity investment in strategic and primary fields, realize cross-cycle and long-term stable returns on investment, and promote the formation of more long-term and patient capital, and further to promote the healthy and stable operation of the capital market.

The listed company is mainly engaged in power generation and committed to clean and low-carbon development. The main business of the listed company is naturally consistent with the investment direction of NCSSF. The strategic collaboration between the Parties can leverage the long-term financial strength of the NCSSF, aiding the listed company in achieving steady and rapid growth in its core businesses and enhancing its core competitiveness.

2. The Company actively implements the clean energy development strategy under the leadership of "Dual Carbon" to further promote the clean process in the power industry

With increasingly severe problems such as extreme climate change, environmental pollution and structural shortage of energy resources, major economies around the world have further promoted energy mix adjustment, actively developed clean energy, put forward the goal of "carbon peaking and carbon neutrality", and taken controlling carbon emissions and developing a green economy as a major strategic direction for economic transformation and upgrading.

In September 2020, China set the goal of "carbon peaking and carbon neutrality" for the first time. In October 2021, the State Council issued the *Opinions of the State Council on Full, Accurate and Comprehensive implementation of the New Development Concept to Achieve Peak Carbon Dioxide Emissions and Carbon Neutrality*, making systematic planning and overall deployment for the "Dual Carbon" goal.

Under the guidance of the overall goal of "Dual Carbon", China's power industry is also making in-depth progress toward cleanliness. The National Development and Reform Commission, the National Energy Administration and other relevant authorities of the PRC have successively issued the *Modern Energy System Plan under the "14th Five-Year Plan"* and the *Renewable Energy Development Plan under the "14th Five-Year Plan"*, clearly stating: 1) in respect of hydropower, during the "14th Five-Year Plan" period, China will "develop hydropower business according to local conditions and strive to achieve about 380 million kW installed capacity of conventional hydropower in 2025"; and 2) in respect of renewable energy, by 2025, the total consumption of renewable energy is expected to reach about 1 billion tons of standard coal, accounting for about 18% of primary energy consumption; the annual power generation of renewable energy will reach about 3.3 trillion kWh, and the power generation of wind power and solar energy will double; and the total electricity consumption of renewable energy and the responsibility weight of non-hydropower consumption in China will reach about 33% and 18% respectively, and the utilization rate will remain a reasonable level.

In recent years, the Company has actively responded to the "Dual Carbon" goals through many measures: In terms of thermal power business, the Company completed

the integration and optimization of thermal power assets in 2019 to improve further the power generation efficiency of its thermal power projects, and actively carried out technological transformation to promote energy conservation and carbon reduction; In terms of hydropower, the Company continued to increase the development of hydropower projects in the Yalong River Basin and has continuously put into operation or built a number of new hydropower projects in recent years; In terms of new energy, the Company has gradually increased the installed capacity of new energy through independent development and asset acquisition. At present, the Company has become a comprehensive energy company that focuses on clean energy and combines hydro, thermal, wind and solar power, with the installed capacity of clean energy accounting for 68.53%.

In the future, the Company will continue to vigorously develop clean energy, further focus on the Yalong River Basin Water-Wind-Solar Hybrid Integrated Demonstration Base, carry out work focusing on hydro-wind-solar integrated clean energy demonstration base, new energy base projects, offshore wind power projects, etc., and vigorously promote the development of new energy projects. At the same time, the Company will promote the construction of clean and efficient thermal power such as combined heat and power generation and gas power generation, comprehensively promote low-carbon transformation, and continuously increase the proportion of clean energy.

3. The Company has experienced rapid business growth during the "14th Five-Year Plan" period, necessitating an urgent need for capital.

In recent years, various businesses of the Company have developed rapidly and achieved remarkable results. On the Yalong River, significant advancements have been achieved in the development of the hydro-wind-solar power integration bases in the Yalong River Basin, with notable breakthroughs in a number of clean energy projects. The Kela Phase I PV Project and Laba Mountain Wind Power Project were put into operation, and the construction of Yagen Cascade 1, Kala and Mengdigou Hydropower Station Projects, and Lianghekou Mixed Storage Project was promoted as planned. In terms of new energy, the Company has increased its efforts to obtain high-quality resources and achieved new breakthroughs in key development fields and projects. It has completed the approval (filing) of a certain scale of new energy projects in Sichuan,

Yunnan, Guangxi, Xinjiang, Tibet, Shanxi, Hebei, Fujian, Shanxi, Hubei, Tianjin, Zhejiang and other regions, and reserved a large number of new energy development resources. In terms of thermal power, the development work was steadily promoted in accordance with the established strategy. The construction of the Zhoushan Gas Turbine Power Generation Project and Units 3 & 4 of Qinzhou Second Power was fully started, and the Meizhou Bay Phase III Thermal Power Project was approved.

According to the Company's strategic plan under the "14th Five-Year Plan", the Company's installed capacity of new energy will reach 17 million kW in 2025, and the holding installed capacity of clean energy will reach more than 72%. Up to now, the Company still has an installed capacity target of nearly 10 million kW of clean energy. In the next two years, the Company needs to continuously strengthen the development of hydropower resources in the middle reaches of Yalong River and greatly increase the holding installed capacity of new energy. The project construction task is challenging.

According to the investment plan, the Company's capital construction investment budget in 2024 is RMB 34.65 billion, which is mainly used for the development of clean energy projects such as hydropower and new energy projects, involving nearly 80 continued and new projects. By the end of the second quarter of 2024, the monetary fund balance of the Company's consolidated standard was RMB 13.156 billion, while that of the parent company was RMB 4.710 billion. Most of the monetary funds were the operating funds required for the daily production and operation of each power project company. At the same time, with the rapid development of various businesses of the Company, its capital needs are extremely urgent. The funds raised this time are invested in the Company's high-quality clean energy projects, which is of great significance for the Company to relieve the financial pressure on project construction, realize the "14th Five-Year Plan", implement the national "Dual Carbon" strategy, help the main business become stronger and better, and promote the action plan of SDIC for the "carbon peaking".

(II) Purpose of the Issuance of shares to the specific object

1. Leverage the strategic investor advantage of the NCSSF to promote the development of the Company's clean energy business

NCSSF has actively studied and extensively arranged investment in the fields of "carbon peaking and carbon neutrality", with a broad and deep understanding and market influence in the clean energy industry.

The Company is a comprehensive energy and power listed company mainly engaged in clean energy, combining hydro, thermal, wind and solar power. It vigorously develops the clean energy business dominated by hydropower. The proportion of clean energy is relatively high and steadily increasing. Through strategic cooperation, NCSSF can bring various collaborative resources such as clean energy project development, upstream and downstream cooperation of industrial chain and overall strategy of the company to the listed company, thus improving their competitiveness in the field of clean energy.

In addition, NCSSF intends to invest in SDIC Power as a strategic investor and is willing to hold shares of the Company for a long time. According to the development plan and return level of the Company's clean energy business, it will provide continuous capital support for the Company's clean energy business properly on the premise of meeting its own investment requirements. At the same time, NCSSF shall exercise relevant shareholders' rights such as voting rights and proposal rights in accordance with the law, conscientiously perform corresponding duties, nominate directors to effectively participate in corporate governance and improve the level of corporate governance. Through its professional post-investment management team, it can assist the Board of Directors and its special committees to make decisions, play an active role in corporate governance, maximize the interests of the Company and safeguard the rights and interests of all shareholders.

2. Relieve the current financial pressures on the listed company and foster the rapid development of its core business

In alignment with the Company's strategic planning outlined in the "14th Five-Year Plan," the Company is accelerating its trajectory of clean energy development, which entails substantial capital requirements. By the Issuance to the specific object, the Company will obtain funds for long-term development, support the construction of high-quality clean energy projects with great strategic significance, such as Mengdigou Hydropower Station and Kala Hydropower Station, and effectively alleviate its financial pressure.

The Company will further consolidate the foundation of sustainable development in terms of long-term strategy, business layout and financial capacity, seize market development opportunities, and create good conditions for the Company to achieve leapfrog development and enhance core competitiveness. Therefore, the Issuance is a positive measure for the Company to enhance its operational capability and improve its sustainable development capability. It conforms to the national industrial policy and the Company's own development strategy, will improve the overall competitiveness of the Company, and is in line with the long-term interests of shareholders of the Company.

II. Necessity of the Issuance of Securities and Its Type Selection

(I) The class and par value of shares issued

The class of shares of the Issuance is domestically listed RMB ordinary shares (A shares), with a par value per share of RMB 1.00.

(II) The necessity of type selection of securities for the Issuance

The Company's current fund mainly comes from debt financing, which cannot fully meet the needs of its rapid business development. The Company needs to expand its market-based financing channels to provide essential funding for clean energy projects. Therefore, the Company needs to further optimize its capital structure and expand its financial strength to offer strong support for its future business development. Equity financing enables the Company to maintain a relatively robust capital structure, reduce the Company's future debt repayment pressure and capital outflow, decrease the Company's financial risks, expand the Company's share capital scale, and improve the Company's financing ability.

With the growth of the operating performance, the Company is able to bear the dilutive impact of share capital expansion on immediate earnings and guarantee the interests of the Company's shareholders. By issuing shares to the specific object to raise funds, the Company's total assets and net asset scale shall be increased accordingly, further improving its financial strength and providing a strong guarantee for its subsequent development. Meanwhile, the Company's sound operation shall be promoted

to enhance its ability to withstand financial risks.

In summary, it is necessary for the Company to issue A shares to the specific object.

III. Appropriateness of the Selection Scope, Quantity and Criteria of the Issuing Object

(I) Appropriateness of the selection scope of the issuing object

The issuing object is NCSSF and its selection scope complies with the relevant provisions of the *Registration Administration Measures* and other laws and regulations, which is appropriate.

(II) Appropriateness of quantity of the issuing object

The issuing object is NCSSF, with only one issuing object. The number of the issuing object conforms to the relevant provisions of the *Registration Administration Measures* and other laws and regulations, and is appropriate.

(III) Appropriateness of criteria for the issuing object

The issuing object is NCSSF, which has certain risk identification and risk-taking abilities, as well as corresponding financial strength. The standards for the issuing object meet the relevant provisions of the *Registration Administration Measures* and other laws and regulations, and are appropriate.

IV. Rationality of the Principles, Basis, Methods and Procedures of Pricing for the Issuance

(I) The pricing principles and basis for the Issuance

The pricing base date of the Issuance is the date when the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Company is announced. The issue price is 80% of the average price of listing companies' stock trading's 20 trading days (excluding the pricing base date, same below) before the pricing base date and the net asset value per share belonging to the parent company in the audited consolidated statements of the listing companies at the end of most recent year as of the pricing base date (when calculating such indicators, deduct effect of existing perpetual bonds of the listing companies in the balance sheet. If the share price of the listed company has gone

ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer). The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total number of shares traded in 20 trading days before the pricing base date. If the Company's share price is adjusted due to ex-rights and ex-dividend matters within 20 trading days before the pricing base date, the trading price on the trading day before the adjustment shall be the price subject to corresponding ex-rights and ex-dividend.

According to the above provisions, the Parties have reached a consensus through negotiation that the issue price is determined as RMB 12.72 per share, which is not lower than 80% of the average transaction price of the Company's shares in the twenty trading days before the pricing base date.

If share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the issue price for the specific object shall be adjusted accordingly, and the formula of issue price adjustment is as follows:

Cash dividends distributed: $P1 = P0 - D$

Shares to be delivered or converted into share capital: $P1 = P0 / (1 + N)$

Above two items conducted concurrently: $P1 = (P0 - D) / (1 + N)$

Where $P0$ is the issue price before the adjustment; $P1$ is the issue price after the adjustment; D is cash dividends distributed per share; and N is the number of shares to be delivered or converted into share capital.

If the Company's shares are divided, merged, or allotted during the period from the pricing base date to the issue date, the issue price per share shall be adjusted according to the principles established by the Shanghai Stock Exchange.

From the pricing base date to the issue date, if relevant laws, regulations and normative documents or the CSRC makes policy adjustments on the issue price, pricing method and other matters applicable to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

(II) The rationality of the pricing methods and procedures for the Issuance

The pricing methods and procedures for issuing shares to the specific object are in accordance with the relevant provisions of laws and regulations such as the *Registration Administration Measures*, and have been reviewed and approved by the Board of Directors. The relevant announcements are disclosed on the website of the Shanghai Stock Exchange and the information disclosure media designated by CSRC, and will be presented to the Company's general meeting of shareholders for approval.

Pursuant to the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Registration Administration Measures*, and other relevant laws, regulations and normative documents, the Issuance requires approval of the Shanghai Stock Exchange and approval documents of CSRC agreeing to the registration. After obtaining the approval of the Shanghai Stock Exchange and approval documents of CSRC agreeing to the registration, the Company will apply to the Shanghai Stock Exchange and Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the issuance and listing of shares, and complete all the procedures for submission and approval of the issuance of shares to the specific object.

The pricing methods and procedure for the Issuance conform to the relevant provisions of the *Registration Administration Measures* and other laws and regulations, and are reasonable.

In summary, the principles, basis, methods and procedures of pricing for the Issuance are in accordance with the requirements of relevant laws and regulations, and are compliant and reasonable.

V. Feasibility of the Issuance

In the form of issuing to the specific object, the Issuance will be issued to the specific object at an appropriate time within the validity period approved by the Shanghai Stock Exchange and registered with the consent of CSRC.

(I) The Issuance meets the issuance conditions set forth in the *Securities Law*

1. The Issuance complies with the relevant provisions of Article 9 of the *Securities Law*: "Private placement of securities shall not be made by means of advertisement, public solicitation, and disguised disclosure".

2. The Issuance complies with the relevant provisions of Article 12 of the *Securities Law*: "The issuance of new shares by a listed company shall meet the conditions stipulated by the securities regulatory authority under the State Council approved by the State Council, and the specific administrative measures shall be stipulated by the securities regulatory authority under the State Council".

(II) The Issuance complies with the relevant provisions of the *Registration Administration Measures*

1. The Company does not violate Article 11 of the *Registration Administration Measures*

Article 11 of the *Registration Administration Measures* provides as follows:

" (1) Unauthorized change in the use of the previously-raised funds without correction, or without approval from the general meeting of shareholders;

(2) The preparation and disclosure of the financial statements of the latest year do not comply with the provisions of the Accounting Standards for Business Enterprises or relevant information disclosure rules in material matters; the audit report in which the financial accounting report of the latest fiscal year is issued with negative opinions or contains a disclaimer of opinion; the audit report in which the financial accounting report of the latest fiscal year is issued with qualified opinions, and the significant adverse effects of the matters involved in the qualified opinions on listed companies have not been eliminated. Except for major asset restructuring involved in the Issuance;

(3) Any of the current directors, supervisors, and senior executives have been given any administrative penalties by CSRC in the last three years, or publicly condemned by the stock exchange in the last year;

(4) The listed company and any of its current directors, supervisors, and senior executives are under investigation by the judicial organs for suspected crimes or under investigation by CSRC due to any suspected violation of laws or regulations;

(5) Any of the controlling shareholders and actual controllers has committed major illegal acts that seriously harm the interests of the listed company or the legitimate rights and interests of investors in the last three years;

(6) There are major illegal acts that seriously harm the legitimate rights and interests of investors or social public interests in the last three years."

The Company does not violate Article 11 of the above *Registration Administration Measures*.

2. The use of raised funds by the Company complies with the relevant provisions of Article 12 of the *Registration Administration Measures*

Article 12 of the *Registration Administration Measures* provides as follows:

" (1) The use of raised funds is subject to national industrial policies and laws and administrative regulations related to environmental protection, land management, etc.;

(2) Except for financial enterprises, the use of raised funds in this round shall not be for holding financial investments, and shall not be directly or indirectly invested in companies whose main business is trading marketable securities;

(3) After implementing the project of raised funds, there will be no new horizontal competition causing a significant adverse effect and obviously unfair related-party transaction with the controlling shareholder, actual controller, and other enterprises under their control, or any serious impact on the independence of the Company's production and operation;

(4) The funds raised by the issuance of shares by companies listed on the SSE STAR MARKET shall be invested in businesses in the field of scientific and technological innovation."

The use of raised funds by the Company complies with the relevant provisions of Article 12 of the above *Registration Administration Measures*.

3. The issuing object complies with the provisions of Articles 55 and 58 of the Registration Administration Measures

Articles 55 of the *Registration Administration Measures* provides as follows: "When a listed company issues securities to specific objects, the issuing objects shall meet the conditions stipulated in the resolutions of the general meeting of shareholders, and the number of the issuing objects each time shall not exceed 35. If the issuing object is an overseas strategic investor, it shall observe relevant provisions of the state."

Articles 58 of the *Registration Administration Measures* provides as follows: "When issuing shares to a specific object, if the issuing object falls under the circumstances other than those stipulated in Article 57(2) of these Measures, the listed company shall determine the issue price and the issuing object by bidding."

The issuing object in this issuance of A shares to specific objects is NCSSF, with the number of issuing objects not exceeding 35 and falling under the circumstances stipulated in Article 57(2) of Registration Administration Measures, therefore complying with the provisions of Articles 55 and 58 of these Measures.

4. The Company's issue price complies with the provisions of Articles 56 and 57 of the Registration Administration Measures

Articles 56 and 57 of the *Registration Administration Measures* provide as follows:

"Articles 56: When a listed company issues shares to a specific object, the issue price shall not be lower than 80% of the average price of the Company's shares in the twenty trading days before the pricing base date. The 'pricing base date' mentioned in the preceding Article refers to the base date for calculating the issuance base price.

Article 57: The pricing base date for the issuance of shares to the specific object shall be the first date of the issuance period. A listed company shall issue shares at a price not lower than the issuance base price.

If the Board of Directors of a listed company resolves to determine all the issuing objects in advance and the issuing objects fall under any of the following circumstances, the pricing base date may be the announcement date of the Board of Directors' resolution regarding the Issuance of shares, the announcement date of the resolution of the general meeting of shareholders, or the first date of the issuance period:

(I) The controlling shareholder or actual controller of the listed company or its controlled related party;

(II) Investors who have obtained the actual control of the listed company by subscribing for the shares in the Issuance;

(III) Domestic and foreign strategic investors to be introduced by the Board of Directors."

For the Issuance of shares to the specific object, the issuing object has been determined in advance in the Board of Directors' resolution, and the pricing base date is the announcement date of the Board of Directors' resolution regarding the Issuance of shares. The issue price of the Issuance is not lower than 80% of the average transaction price of the Company's shares in the twenty trading days before the pricing base date, and not less than the amount of net assets per share attributable to ordinary shareholders of the parent company as audited in the latest period. The issue price complies with the provisions of Articles 56 and 57 of the *Registration Administration Measures*.

5. The lock-up period for the Issuance by the Company complies with the provisions of Article 59 of the *Registration Administration Measures*

According to Article 59 of the *Registration Administration Measures*, "Shares issued to the specific object shall not be transferred within six months from the date of completion of the Issuance. If the issuing objects fall under the circumstances stipulated in Article 57(2) of these Measures, the stocks they subscribe to cannot be transferred within 18 months from the date of completion of the issuance.

Upon the completion of the issuance, the stocks subscribed by the issuing objects

in this round of issuance cannot be transferred for 36 months from the date of completion of the issuance. Should there be any new regulations, guidelines, or audit requirements from national laws, regulations, rules, normative documents, and securities regulatory authorities regarding the lock-up period for the shares issued in the Issuance, the Company will adjust the lock-up period for the restricted shares in compliance with the latest provisions, regulatory opinions, or audit requirements. The lock-up period for the issuance complies with the provisions of Article 59 of the *Registration Administration Measures*.

6. The issuance by the Company complies with the provisions of Article 66 of the *Registration Administration Measures*.

Article 66 of the *Registration Administration Measures* stipulates: "When issuing securities to the specific object, neither the Listed Company nor its controlling shareholders, actual controllers, or major shareholders shall make any guaranteed return or disguised guaranteed return commitments to the issuing objects, nor shall they directly or indirectly provide financial support or other compensation to the issuing objects through stakeholders."

Regarding the issuance, the Company has not made any guaranteed return or disguised guaranteed return commitments to the issuing objects, nor has it provided any financial support or other compensation to the issuing objects directly or through stakeholders. The issuance complies with the provisions of Article 66 of the *Registration Administration Measures*.

7. The issuance by the Company complies with the provisions of Article 87 of the *Registration Administration Measures*.

Article 87 of the *Registration Administration Measures* stipulates: "If the issuance of stocks to the specific object by a listed company results in a change in the control of the Company, it must also comply with other provisions of the CSRC."

The issuance will not result in a change of control of the Listed Company.

(III) The issuance complies with the relevant provisions of *the Guidance on the Application of Articles 9, 10, 11, 13, 40, 57, and 60 of the Regulations on the Registration of Securities Issuance by Listed Companies – Securities and Futures Law Application Guidance No. 18* (hereinafter referred to as "*Securities and Futures Law Applicable Guidance No. 18*"):

1. Complies with the "interpretation and application of Article 9 regarding 'no significant financial investments at the end of the most recent fiscal period'" in the *Securities and Futures Law Applicable Guidance No. 18*.

As of the end of the most recent period, the Company does not hold any significant financial investments (including quasi-financial business).

2. Complies with the "interpretation and application of Article 10 regarding 'serious violations that severely harm the interests of the Listed Company, investors' legal rights, and social public interests'" in the *Securities and Futures Law Applicable Guidance No. 18*, and the "interpretation and application of Article 11 regarding 'serious violations that severely harm investors' legal rights or social public interests'" in the *Securities and Futures Law Applicable Guidance No. 18*.

In the past three years, the Listed Company and its controlling shareholders and actual controllers have not committed any serious violations that severely harm the interests of the Listed Company, investors' legal rights, or social public interests. In the past three years, the controlling shareholders and actual controllers have not committed any serious violations that severely harm the interests of the Listed Company or investors' legal rights. The Listed Company has not committed any serious violations that severely harm investors' legal rights or social public interests in the past three years.

3. Complies with the "interpretation and application of Article 40 regarding 'rational financing and reasonable determination of financing scale'" in the *Securities and Futures Law Applicable Guidance No. 18*.

(1) When the Listed Company applies for the issuance of stocks to the specific object, the number of shares to be issued by the Listed Company should not exceed 30%

of the total shares before the issuance. The total number of shares of the Company before the issuance is 7,454,179,797 shares, and the number of stocks issued this time does not exceed 30% of the Company's total shares before the issuance.

(2) When the Listed Company applies for additional shares, allotments, or issuance of stocks to the specific object, the interval between the date of resolution for the issuance made by the Board of Directors and the date of receiving of previously-raised funds should generally not be less than 18 months. If the previously-raised funds have been substantially used up or the investment has not changed and has been made as planned, the interval should generally not be less than six months. The previous fundraising includes IPOs, additional shares, allotments, issuance of stocks to the specific object, the Listed Company's issuance of convertible bonds, preferred shares, issuance of shares to purchase assets with supporting fundraising, and applications of simplified procedures, which are not subject to these provisions.

The Company's previously-raised funds were received on November 26, 2021. On September 17, 2024, the Company held the 33rd Meeting of the Twelfth Board of Directors to review and approve the plan for the issuance of stocks to the specific object. The interval between the date of resolution for the issuance made by the Board of Directors and the date of receiving of previously-raised funds has exceeded 18 months.

(3) The Listed Company should disclose the number of securities issued, the financing interval, the amount of funds raised, and the investment direction, and explain whether the issuance constitutes "rational financing and reasonable determination of financing scale."

The total amount of funds raised from the issuance is up to RMB 7 billion, and the net proceeds after deducting issuance expenses will all be used for clean energy projects. It does not involve using the raised funds to supplement working capital or repay debts, which constitutes "rational financing and reasonable determination of financing scale."

Therefore, the issuance complies with the "interpretation and application of Article

40 regarding rational financing and reasonable determination of financing scale" in the *Securities and Futures Law Applicable Guidance No. 18*.

4. Complies with the "interpretation and application of Article 40 regarding mainly directed towards the main business for the use of raised funds to supplement working capital or repay loans" in the *Securities and Futures Law Applicable Guidance No. 18*.

The raised funds from the issuance, after deducting issuance expenses, are planned to be fully invested in clean energy projects, which belong to the Company's main business. It does not involve using the raised funds to supplement working capital or repay debts, and complies with the interpretation and application of Article 40 regarding "mainly directed towards the main business for the use of raised funds to supplement working capital or repay loans" in the *Securities and Futures Law Applicable Guidance No. 18*.

5. Compliance with the "interpretation and application of Article 57 regarding introduction of domestic and foreign 'strategic investors' in the issuance of stocks to the specific object" in the *Securities and Futures Law Applicable Guidance No. 18*.

(1) The issuance plans to introduce the NCSSF as a strategic investor. The NCSSF adheres to and continuously enriches the concepts of "long-term investment, value investment, and responsible investment", continuously improving its performance evaluation mechanism suited to long-term investments. The NCSSF is willing to hold a significant proportion of the Listed Company's shares for the long term, fully leveraging its advantages as patient capital with long-term funding. In terms of corporate governance, the NCSSF practices sustainable investment principles and adheres to active shareholderism by nominating directors to participate in the governance of listed companies. The NCSSF will assign directors to closely monitor the Company's operations and industry trends, carefully review proposals on significant matters, promptly address risks and issues facing the Company, and effectively fulfill its role as

a "lookout" and "alarm". The NCSSF actively exercises shareholder rights, strictly reviewing proposals of the general meeting of shareholders from the perspective of maximizing shareholders' and the Company's interests, and expresses its stance and positions at the general meeting of shareholders to enhance the regulatory effectiveness of the corporate governance and elevate the Company's governance level. This helps the Listed Company significantly improve its quality and intrinsic value. The NCSSF has a good credit record and has not been subject to any administrative penalties by the CSRC or criminal liability in the past three years.

The NCSSF is one of the earliest and most important institutional investors in China. It has achieved broad industry coverage in both domestic and foreign markets and accumulated extensive investment experience. In its investment practice, the NCSSF has established wide-ranging and in-depth cooperative relationships with major central enterprises, large financial institutions, leading industry enterprises, and key research institutions. It has the capacity to connect the Listed Company with various strategic resources according to its needs, thus enhancing the Listed Company's core competitiveness, innovation capability, and profitability.

In summary, the NCSSF meets the basic requirements for a strategic investor under the *Securities and Futures Law Applicable Guidance No. 18*.

(2) The issuance plans to introduce the NCSSF as a strategic investor, and the Listed Company has complied with the relevant decision-making procedures in accordance with the *Company Law*, the *Securities Law*, the *Measures for the Administration of Registration of Securities Offering by Listed Companies*, and the Company's Articles of Association.

① The Listed Company has signed a legally binding strategic cooperation agreement with the strategic investor and has made feasible strategic cooperation arrangements. The main contents of the strategic cooperation agreement include the advantages of the strategic investor and its synergy with the Listed Company, the parties' cooperation methods, fields, goals, duration, the number of shares the strategic investor

intends to subscribe for, the pricing basis, arrangements for participation in the Listed Company's management, the holding period, future exit arrangements, and liability for breach for failure to perform relevant obligations;

② The Board of Directors of the Listed Company has deliberated the introduction of the strategic investor as a separate proposal, which has been reviewed and approved by a special meeting of independent directors, and the Supervisory Committee has expressed a clear opinion on whether the proposal is conducive to protecting the legal rights and interests of the Listed Company and minority shareholders;

③ The general meeting of shareholders of the Listed Company will vote on the proposal on the introduction of the strategic investor, with a separate vote on each strategic investor, and approval requires the support of more than two-thirds of the voting rights held by the shareholders attending the meeting. The voting results of minority investors will be separately counted and disclosed.

(3) The issuance plans to introduce the NCSSF as a strategic investor, and the Listed Company has fully fulfilled its information disclosure obligations in accordance with the relevant provisions of the *Measures for the Administration of Registration of Securities Offering by Listed Companies*. The proposal of the Board of Directors has fully disclosed the purpose of introducing the strategic investor, the commercial rationale, the use of funds raised, the basic information of the strategic investor, the transparency of the equity structure or investor structure, and the main content of the strategic cooperation agreement.

Therefore, the issuance complies with "interpretation and application of Article 57 regarding introduction of domestic and foreign 'strategic investors' in the issuance of stocks to the specific object" in the *Securities and Futures Law Applicable Guidance No. 18*.

(IV) The Company is not subject to the scope of punishment as stipulated in the *Memorandum of Understanding on Joint Disciplinary Action against Dishonest Persons* and the *Memorandum of Understanding on Joint Disciplinary Action against Customs-Dishonest Enterprises*. It is not a generally dishonest enterprise or a customs-dishonest enterprise.

After self-examination, the Company is not subject to the scope of punishment as stipulated in the *Memorandum of Understanding on Joint Disciplinary Action against Dishonest Persons* and the *Memorandum of Understanding on Joint Disciplinary Action against Customs-Dishonest Enterprises*. The Company is neither a generally dishonest enterprise nor a customs-dishonest enterprise.

(V) The procedures for the issuance are legal and compliant.

The issuance plan has been reviewed and approved by the 33rd Meeting of the Twelfth Board of Directors and disclosed on the stock exchange's website and designated information disclosure media. The necessary review and disclosure procedures have been fulfilled. The issuance plan still needs to be approved by the competent state-owned assets regulator or its authorized body, approved by the Company's general meeting of shareholders, reviewed by the Shanghai Stock Exchange, and registered with the CSRC before implementation.

Pursuant to the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Registration Administration Measures*, and other relevant laws, regulations and normative documents, the Issuance requires approval of the Shanghai Stock Exchange and approval documents of CSRC agreeing to the registration. After obtaining the approval of the Shanghai Stock Exchange and approval documents of CSRC agreeing to the registration, the Company will apply to the Shanghai Stock Exchange and Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the issuance and listing of shares, and complete all the procedures for submission and approval of the issuance of shares to the specific object.

In summary, the issuance has fulfilled the necessary procedures at this stage, and the issuance procedures are legal and compliant.

VI. Fairness and Reasonableness of the Issuance Plan.

The issuance plan has been carefully studied and approved by the Board of Directors, taking into account the current industry situation, future development trends, and the Company's development strategy. The Company's independent directors have held a special meeting to review and approve the relevant proposals for the issuance. The implementation of the issuance plan is conducive to the Company's sustainable and stable development and the enhancement of profitability, thereby strengthening the Company's overall competitiveness and aligning with the interests of all shareholders.

The issuance plan and related documents have been disclosed on the stock exchange's website and designated information disclosure media, ensuring all shareholders' right to be informed.

The Company will hold a general meeting of shareholders to review the issuance plan, and all shareholders will vote fairly in accordance with the principle of equal shares and equal rights. A resolution on the issuance-related matters made by the general meeting of shareholders must be passed by at least two-thirds of the voting rights held by shareholders attending the meeting, with a separate vote count for medium and small investors. The Company's shareholders may exercise their rights through on-site or online voting.

In conclusion, the issuance plan has been carefully reviewed by the Board of Directors, who believe that the plan aligns with the interests of the Company and all shareholders; the issuance plan and related documents have fulfilled the relevant disclosure procedures, ensuring shareholders' right to know; and the issuance plan will be subject to fair voting by attending shareholders at the general meeting of shareholders, ensuring its fairness and reasonableness.

VII. Impact of the Issuance on the Rights of Existing Shareholders or the Dilution of Immediate Returns, and Specific Measures to Mitigate the Impact.

(I) The impact of the issuance on the Company's key financial indicators.

In accordance with the relevant requirements of the *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market* (GBF [2013] No. 110), the *Several Opinions of the State Council on Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets* (GF [2024] No. 10), and the *Guiding Opinions of the CSRC on Relevant Issues Related to Immediate Return Diluted by Initial Public Offering, Refinancing and Major Asset Restructuring* (CSRC Announcement [2015] No. 31), the Company has analyzed the possible impact of the issuance on immediate returns and formulated specific measures to mitigate the impact, in order to protect the right of small and medium investors to know and safeguard the interests of small and medium investors. The relevant entities have made commitments to ensure that the remedial measures planned by the Company are effectively implemented. The details are as follows:

1. Key assumptions

(1). Assuming the Issuance is completed in November 2024 (this projected date is for calculating the impact of the dilution of immediate returns on key financial indicators only and does not constitute a commitment to the actual issuance completion date; the final date will be subject to registration by the CSRC and the actual issuance completion time).

(2). Assuming the number of shares issued is 550,314,465 (the final number of shares issued will be based on the actual number of shares issued after registration with CSRC). Should the Company experience changes in its share capital, such as bonus issue or increase of capitals by converting accumulation funds, between the pricing base date and the issue date, the number of shares issued will be adjusted accordingly. Assuming the total amount of funds raised is RMB 7 billion (excluding issuance expenses).

(3). The number of shares issued, the amount of funds raised, and the issuance date for the Issuance are only assumptions for calculation purposes. The final numbers will

be based on the actual number of shares issued, the results of the issuance, and the actual date.

(4). Assuming there are no significant changes in the macroeconomic environment, industrial policies, industry development conditions, and market conditions.

(5). This calculation does not consider the impact of the funds raised from the Issuance on the Company's production and operations, financial condition (such as financial expenses and investment income), or other related factors.

(6). According to the Company's 2023 annual report, the net profit attributable to the shareholders of the parent company for 2023 was RMB 6,704.937 million, and the net profit attributable to the shareholders of the parent company, excluding non-recurring profit or loss, was RMB 6,589.3785 million. Assuming that the net profit attributable to the shareholders of the parent company for 2024, whether or not deducting non-recurring profit or loss, is calculated based on the 2023 figures under three scenarios: remaining the same, increasing by 10%, and increasing by 20%.

(7). In calculating the number of ordinary shares outstanding, only the impact of the Issuance on the total share capital is considered, without accounting for changes in share capital due to stock repurchase, cancellation, or increase of capitals by converting accumulation funds.

The above assumptions are solely for calculating the impact of this transaction's dilution on immediate returns and key financial indicators. They do not represent the Company's judgment on future operational conditions and trends, nor do they constitute profit forecasts. The investors shall not make an investment decision based on such assumptions. If yes, the Company will not shoulder the responsibility for the losses caused thereby.

(II) The impact of the Issuance on the Company's key financial indicators

Based on the above assumptions, the Company has calculated the impact of the Issuance on earnings per share. The results of the calculation are as shown in the table

below:

Item	Amount		
Number of shares of the Issuance (shares)	550,314,465		
Item	2023 /December 31, 2023	2024/December 31, 2024	
		Before issuance	After issuance
Total capital stock at the end of the period (shares)	7,454,179,797	7,454,179,797	8,004,494,262
Assumption 1: The net profit attributable to the ordinary shareholders of the listed company for 2024, as well as the net profit attributable to the ordinary shareholders of the listed company after excluding non-recurring profit or loss, will remain the same as in 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	670,493.70	670,493.70
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	658,937.85	658,937.85
Basic earnings per share (RMB/share)	0.88	0.88	0.87
Diluted earnings per share (RMB/share)	0.88	0.88	0.87
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.86	0.85
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.86	0.85
Assumption 2: The net profit attributable to the ordinary shareholders of the listed company for the year 2024, as well as the net profit attributable to the ordinary shareholders after deducting non-recurring profit or loss, increased by 10% compared to 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	737,543.07	737,543.07
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	724,831.64	724,831.64
Basic earnings per share (RMB/share)	0.88	0.97	0.96
Diluted earnings per share	0.88	0.97	0.96

(RMB/share)			
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.95	0.94
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.95	0.94
Assumption 3: The net profit attributable to the ordinary shareholders of the listed company for the year 2024, as well as the net profit attributable to the ordinary shareholders after deducting non-recurring profit or loss, increased by 20% compared to 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	804,592.44	804,592.44
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	790,725.42	790,725.42
Basic earnings per share (RMB/share)	0.88	1.06	1.05
Diluted earnings per share (RMB/share)	0.88	1.06	1.05
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	1.04	1.03
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	1.04	1.03

Note: "The calculation formulas for basic earnings per share and diluted earnings per share are in accordance with the requirements of the *Guiding Opinions on Relevant Issues Related to Immediate Return Diluted by Initial Public Offering, Refinancing and Major Asset Restructuring* formulated by the China Securities Regulatory Commission and the provisions of the *Information Disclosure Compilation Rules for Companies that Offer Securities to the Public No. 9-Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010)*.

After the completion of the Issuance, the Company's total share capital and net assets will increase. If the Company's business scale and net profit do not achieve a corresponding increase, it is expected that financial indicators such as earnings per share and the weighted average return on net assets will decline to some extent after the Issuance, resulting in a risk of dilution of shareholders' immediate returns. Furthermore, if there are significant changes in the assumptions or the Company's operating conditions

discussed above, the possibility that the Issuance will lead to a change in the dilution of immediate returns cannot be ruled out.

Investors are hereby reminded to be aware of the potential risk of dilution of immediate shareholder returns from the Issuance.

(II) Analysis on the necessity and rationality of the Issuance, and the relevance between the projects invested with raised funds and the Company's existing business

1. Analysis on the necessity and rationality of the Issuance

Please refer to "II. Background and Purpose of the Issuance" under "Chapter I: Overview of the Issuance" and " II. Necessity and Feasibility Analysis on the Use of Raised Funds" under " Chapter V Feasibility Analysis on the Use of Raised Funds by the Board of Directors" in the *SDIC Power Holdings Co., Ltd. Tentative Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024* for specific analysis of the necessity and reasonableness of the Issuance.

2. The relationship between the projects invested with raised funds and the Company's existing business, and the Company's reserves in personnel, technology, and market aspects for the projects invested with raised funds

All the funds raised in the Issuance by the Company will be used for the investment, development, construction, and operation of clean energy projects, and related projects invested with raised funds will be closely focused on the Company's existing business. The Company has accumulated rich experience in the construction and operation of related clean energy projects in daily production and operation, and possesses sufficient reserves in personnel, technology, market, etc., which lays a sound foundation for its successful implementation of related fundraising projects.

(III) Remedies for the Dilution of Immediate Returns from the Issuance

The Issuance may lead to a decrease in investors' immediate returns. In order to

protect investors' interests, the Company intends to enhance its competitiveness through various ways to fill shareholders' returns. The specific measures are as follows:

1. Strengthen the management of raised funds and improve the efficiency of funds use

In accordance with the *Company Law*, the *Securities Law*, the *Measures for the Administration of Registration of Securities Offering by Listed Companies*, the *Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-regulation of Listed Companies - Standardized Operation* (December 2023 Revision), etc, the Company will formulate and continuously improve the *Management System of Raised Funds*, clearly stipulating the storage, use, change of use, management and supervision of special accounts for raised funds, so as to ensure the Company's standardized and effective use of raised funds. Once the raised funds are paid upon the Issuance, the Board of Directors of the Company will continue to supervise the Company's depositing of raised funds into special accounts, ensure the use of raised funds for designated purposes, conduct internal audits of raised funds on a regular basis, and cooperate with regulatory banks and sponsors to inspect and supervise the use of raised funds, so as to ensure the reasonable and standardized use of raised funds and reasonably prevent any and all risks associated to raised funds.

2. Improve the overall management and provide institutional guarantee for the Company's development

In compliance with the *Company Law*, the *Securities Law*, the *Code of Corporate Governance of Listed Companies*, and other laws and regulations, normative documents, etc., the Company will constantly improve the corporate governance structure to ensure that shareholders can fully exercise their rights, that the Board of Directors can exercise its functions and powers according to the laws, regulations and the *Articles of Association* and make scientific, prompt and prudent decisions, that independent

directors can conscientiously perform their duties and safeguard the overall interests of the Company, especially the legitimate rights and interests of minority shareholders, and that the Supervisory Committee can independently and effectively exercise the right to supervise and inspect the directors, managers and other senior executives and the Company's finances, and provide institutional guarantee for the Company's development.

The Company will improve and perfect its business processes, further promote the deep integration of enterprise management with laws and regulations, continuously optimize the management and control interface between the Company and its subsidiaries, further strengthen the system construction by combing and improving the system hierarchy, decision-makers and management processes, establish a scientific and efficient management system, and improve the ability of risk prediction, proactive response and resolution. In addition, the Company will strengthen the management and control of investments, mergers and acquisitions, operation management and capital operation process for domestic and foreign projects to ensure legal compliance and steady operation. Through the above measures, the Company will comprehensively improve its management system, thereby enhancing the Company's operating results.

3. Continuously improve the profit distribution policy and strengthen the investor return mechanism

In accordance with the *CSRC Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies* (ZJF [2012] No. 37), the *Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies* (2023 Revision), etc., on the basis of fully considering the actual situation of the Company's operation and development, shareholders' returns and other factors, the Company will further clarify the return on equity dividends to shareholders, and continuously improve and refine the provisions on dividend distribution principles in the Articles of Association to enhance the transparency and operability of dividend distribution decisions. In the future, the Company will strictly implement the profit distribution policy, actively implement the profit distribution to shareholders and optimize the return

on investment mechanism in line with the distribution conditions.

The formulation by the Company of the above-mentioned remedies does not mean that the Company makes any guarantee for future profits. Please pay attention to investment risks.

(IV) Commitments of stakeholders

1. Commitments of the Company's controlling shareholder

In order to ensure that the remedies for any dilution of immediate returns through the Issuance can be effectively implemented, SDIC, the Company's controlling shareholder, undertakes as follows:

(1) Not to interfere with the Company's management beyond its authority or encroach on the Company's interests; and

(2) To make supplementary commitments in accordance with the latest regulations of relevant regulatory agencies, if the CSRC, the Shanghai Stock Exchange and other relevant regulatory agencies make such latest regulations on the remedies for dilution of immediate returns and related commitments from the date of this commitment to the date when the Company's issuance to the specific object is completed, and the aforementioned commitments fail to meet the requirements of these regulatory agencies.

2. Commitments of the Company's directors and senior executives

In order to ensure that the remedies for any dilution of immediate returns through the Issuance can be effectively implemented, the Company's directors and senior executives undertake as follows:

(1) Not to offer benefits to any other entities or individuals at no cost or upon unfair conditions, nor jeopardize the Company's interest in other ways;

(2) To restrain their position-related consumption;

(3) Not to use the assets of the Company to engage in any investment or consumption activities not related to the performance of their duties;

(4) To support the Board of Directors of the Company to associate the formulation, amendment and supplement of the rules on remuneration for directors and senior executives to the implementation of the Company's remedies;

(5) To associate the proposed exercise conditions for the Company's stock ownership incentives to the implementation of the Company's remedies, if the Company subsequently launches any stock incentive policy;

(6) To make supplementary commitments in accordance with the latest regulations of relevant regulatory agencies, if the CSRC, the Shanghai Stock Exchange and other relevant regulatory agencies make such latest regulations on the remedies and related commitments from the date of this commitment to the date when the Company's issuance to the specific object is completed, and the aforementioned commitments fail to meet the requirements of these regulatory agencies.

VIII. Conclusion

In conclusion, the Issuance made by the Company is necessary and feasible, with a fair and reasonable issuance proposal that complies with the requirements of relevant laws and regulations. The implementation of the plan to issue shares to the specific object will further enhance the Company's core competitiveness, align with the Company's development strategy, and serve the interests of the Company and all its shareholders.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024

Annex III

SDIC Power Holdings Co., Ltd.

(Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District,
Beijing)



Feasibility Analysis Report on the Use of Funds Raised by the Company through Issuing A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

September 2024

SDIC Power Holdings Co., Ltd.

**Feasibility Analysis Report on the Use of Funds Raised by
the Company by Issuing A Shares to the Specific Object —
National Council for Social Security Fund of The People's
Republic of China in 2024**

Whereas SDIC Power Holdings Co., Ltd. (hereinafter referred to as "SDIC Power" or "the Company") intends to introduce the National Council for Social Security Fund of The People's Republic of China (hereinafter referred to as "NCSSF") as a strategic investor and raise funds by issuing A shares to the specific object (hereinafter referred to as "the Issuance") in order to meet the capital needs of the Company's business development and enhance its profitability and risk resistance capacity, the Company has prepared the *Feasibility Analysis Report on the Use of Funds Raised by SDIC Power Holdings Co., Ltd. through Issuing A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

Unless otherwise specified in the Report, relevant terms have the same meanings as those set forth in the *Tentative Plan of SDIC Power Holdings Co., Ltd. for Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

The Company's feasibility analysis on the use of funds raised by issuing A shares to the specific object is as follows:

I. Plan for the Use of Raised Funds

The total amount of funds raised by issuing shares to the specific object (including issuance expenses) is up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

Before the funds raised by issuing shares to the specific object are in place, the Company will invest with self-raised funds according to the actual situation of the investment project of raised funds, and replace them according to the procedures prescribed by relevant laws and regulations after the raised funds are in place.

If the actual net amount of raised funds after deducting the issuing expenses is less than the total amount of raised funds to be invested in the above-mentioned project, within the final scope of this fundraising investment project, the Company will make appropriate adjustments to the capital investment priority and specific investment amount of the projects invested with raised funds according to the actual situation such as project construction progress and capital demand. The insufficient part of raised funds shall be solved by the Company with self-raised funds.

II. Background and Purpose of the Issuance

Through the Issuance, the Listed Company shall introduce the NCSSF as a strategic investor and give full play to its advantages and role of long-term fund and patient capital, which shall play a leading and exemplary role in improving the inherent stability of the capital market and boosting investor confidence. At the same time, the funds raised this time shall be used entirely for the investment, development, construction and operation of clean energy projects, which is a specific and active response to the national "dual carbon" goals. It is of great significance to alleviate the listed company's capital shortage at the present stage and promote the rapid development of its main business.

(I) Background of the Issuance

1. The State Council actively promotes the entry of medium- and long-term funds into the market to improve the internal stability of the capital market

(1) The introduction of medium- and long-term fund is of great significance to improving the quality of listed companies

The capital market plays an important role in financial operations, and listed companies are the cornerstone of the capital market. In October 2020, the State Council issued the *Opinions on Further Improving the Quality of Listed Companies*, requiring listed companies to become better and stronger, and clearly proposing to "explore the establishment of a long-term assessment mechanism for institutional investors to attract more medium- and long-term funds into the market." In January 2024, the executive meeting of the State Council was held, emphasizing that enhancing the fundamental systems of the capital market, elevating the quality of the listed company, facilitating the influx of medium- and long-term capital, and intensifying regulatory oversight will be the key priorities in stabilizing the market and strengthening investor confidence.

In this context, CSRC, along with other relevant departments, has rolled out a suite of policies to provide guidance and incentives for medium- and long-term capital to enter the market. On September 10, 2023, the National Financial Regulatory Administration issued the *Notice on Optimizing Regulatory Standards for Solvency of Insurance Companies* to enhance the enthusiasm of insurance funds in allocating blue-chip stocks and technology stocks. On October 30, the Ministry of Finance issued the *Notice on Guiding Insurance Funds to Make Long-term and Sound Investment and Strengthening the Long-period Assessment of State-owned Commercial Insurance Companies* to guide and enhance the enthusiasm and stability of insurance fund equity investment. In November 2023, the CSRC stated that it would continue to strengthen departmental coordination, issue the *Action Plan for Investment Side Reform of Capital Market* as soon as possible, increase the introduction of medium- and long-term funds, improve the enthusiasm and stability of various medium- and long-term funds in participating in the capital market, and promote the positive interaction between medium- and long-term funds such as social security fund, basic pension insurance fund, annuity fund and insurance fund and the capital market as a whole. On March 15, 2024, the CSRC issued the *Opinions on Strengthening the Supervision of Listed Companies (Trial)*, in which Article 16 clearly states that "listed companies are encouraged to actively attract long-term institutional investors and facilitate their participation in corporate governance". On April 12, 2024, the State Council issued *Several Opinions of the State Council on Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets*, which clearly states: "vigorously promote the entry of medium- and long-term capital into the market, and continuously strengthen the force of long-term

investment; establish a market ecosystem that fosters long-term investment, improve the basic systems compatible with long-term investment, and build a policy system that supports 'long-term capital for long-term investment', and "improve the investment policies of the National Social Security Fund and the Basic Pension Insurance Fund."

(2) As a long-term fund investment institution, NCSSF can give full play to the advantages of long-term funds and patient capital.

The NCSSF promotes the establishment of a stable capital injection mechanism, explores and expands new sources of funds, and establishes an employment and replenishment mechanism. It adheres to and continuously enriches the concept of "long-term investment, value investment and responsibility investment", constantly improves the performance appraisal mechanism suitable for long-term investment, and gives full play to the advantages and role of funds under management as long-term funds and patient capital. In September 2022, NCSSF formulated and issued the *Guidelines on Industrial Investment of the National Council for Social Security Fund of The People's Republic of China*, which clarified the medium- and long-term development plan of industrial investment of NCSSF and further improved the management and operation system of industrial investment. In industrial investment management, NCSSF has actively given full play to the long-term capital advantage and market-leading role, so as to increase the long-term equity investment in strategic and primary fields, realize cross-cycle and long-term stable returns on investment, and promote the formation of more long-term and patient capital, and further to promote the healthy and stable operation of the capital market.

The listed company is mainly engaged in power generation and committed to clean and low-carbon development. The main business of the listed company is naturally consistent with the investment direction of NCSSF. The strategic collaboration between the Parties can leverage the long-term financial strength of the NCSSF, aiding the listed company in achieving steady and rapid growth in its core businesses and enhancing its core competitiveness.

2. The Company actively implements the clean energy development strategy under the leadership of "Dual Carbon" to further promote the clean process in the power industry

With increasingly severe problems such as extreme climate change, environmental pollution and structural shortage of energy resources, major economies around the world have further promoted energy mix adjustment, actively developed clean energy, put forward the goal of "carbon peaking and carbon neutrality", and taken controlling carbon emissions and developing a green economy as a major strategic direction for economic transformation and upgrading.

In September 2020, China set the goal of "carbon peaking and carbon neutrality" for the first time. In October 2021, the State Council issued the *Opinions of the State Council on Full, Accurate and Comprehensive implementation of the New Development Concept to Achieve Peak Carbon Dioxide Emissions and Carbon Neutrality*, making systematic planning and overall deployment for the "Dual Carbon" goal.

Under the guidance of the overall goal of "Dual Carbon", China's power industry is also making in-depth progress toward cleanliness. The National Development and Reform Commission, the National Energy Administration and other relevant authorities of the PRC have successively issued the *Modern Energy System Plan under the "14th Five-Year Plan"* and the *Renewable Energy Development Plan under the "14th Five-Year Plan"*, clearly stating: 1) in respect of hydropower, during the "14th Five-Year Plan" period, China will "develop hydropower business according to local conditions and strive to achieve about 380 million kW installed capacity of conventional hydropower in 2025"; and 2) in respect of renewable energy, by 2025, the total consumption of renewable energy is expected to reach about 1 billion tons of standard coal, accounting for about 18% of primary energy consumption; the annual power generation of renewable energy will reach about 3.3 trillion kWh, and the power generation of wind power and solar energy will double; and the total electricity consumption of renewable energy and the responsibility weight of non-hydropower consumption in China will reach about 33% and 18% respectively, and the utilization rate will remain a reasonable level.

In recent years, the Company has actively responded to the "Dual Carbon" goals through many measures: In terms of thermal power business, the Company completed the integration and optimization of thermal power assets in 2019 to improve further the power generation efficiency of its thermal power projects, and actively carried out technological transformation to promote energy conservation and carbon reduction; In

terms of hydropower, the Company continued to increase the development of hydropower projects in the Yalong River Basin and has continuously put into operation or built a number of new hydropower projects in recent years; In terms of new energy, the Company has gradually increased the installed capacity of new energy through independent development and asset acquisition. At present, the Company has become a comprehensive energy company that focuses on clean energy and combines hydro, thermal, wind and solar power, with the installed capacity of clean energy accounting for 68.53%.

In the future, the Company will continue to vigorously develop clean energy, further focus on the Yalong River Basin Water-Wind-Solar Hybrid Integrated Demonstration Base, carry out work focusing on hydro-wind-solar integrated clean energy demonstration base, new energy base projects, offshore wind power projects, etc., and vigorously promote the development of new energy projects. At the same time, the Company will promote the construction of clean and efficient thermal power such as combined heat and power generation and gas power generation, comprehensively promote low-carbon transformation, and continuously increase the proportion of clean energy.

3. The Company has experienced rapid business growth during the "14th Five-Year Plan" period, necessitating an urgent need for capital.

In recent years, various businesses of the Company have developed rapidly and achieved remarkable results. On the Yalong River, significant advancements have been achieved in the development of the hydro-wind-solar power integration bases in the Yalong River Basin, with notable breakthroughs in a number of clean energy projects. The Kela Phase I PV Project and Laba Mountain Wind Power Project were put into operation, and the construction of Yagen Cascade 1, Kala and Mengdigou Hydropower Station Projects, and Lianghekou Mixed Storage Project was promoted as planned. In terms of new energy, the Company has increased its efforts to obtain high-quality resources and achieved new breakthroughs in key development fields and projects. It has completed the approval (filing) of a certain scale of new energy projects in Sichuan, Yunnan, Guangxi, Xinjiang, Tibet, Shanxi, Hebei, Fujian, Shanxi, Hubei, Tianjin, Zhejiang and other regions, and reserved a large number of new energy development resources. In terms of thermal power, the development work was steadily promoted in

accordance with the established strategy. The construction of the Zhoushan Gas Turbine Power Generation Project and Units 3 & 4 of Qinzhou Second Power was fully started, and the Meizhou Bay Phase III Thermal Power Project was approved.

According to the Company's strategic plan under the "14th Five-Year Plan", the Company's installed capacity of new energy will reach 17 million kW in 2025, and the holding installed capacity of clean energy will reach more than 72%. Up to now, the Company still has an installed capacity target of nearly 10 million kW of clean energy. In the next two years, the Company needs to continuously strengthen the development of hydropower resources in the middle reaches of Yalong River and greatly increase the holding installed capacity of new energy. The project construction task is challenging.

According to the investment plan, the Company's capital construction investment budget in 2024 is RMB 34.65 billion, which is mainly used for the development of clean energy projects such as hydropower and new energy projects, involving nearly 80 continued and new projects. By the end of the second quarter of 2024, the monetary fund balance of the Company's consolidated standard was RMB 13.156 billion, while that of the parent company was RMB 4.710 billion. Most of the monetary funds were the operating funds required for the daily production and operation of each power project company. At the same time, with the rapid development of various businesses of the Company, its capital needs are extremely urgent. The funds raised this time are invested in the Company's high-quality clean energy projects, which is of great significance for the Company to relieve the financial pressure on project construction, realize the "14th Five-Year Plan", implement the national "Dual Carbon" strategy, help the main business become stronger and better, and promote the action plan of SDIC for the "carbon peaking".

(II) Purpose of the Issuance

1. Leverage the strategic investor advantage of the NCSSF to promote the development of the Company's clean energy business

NCSSF has actively studied and extensively arranged investment in the fields of "carbon peaking and carbon neutrality", with a broad and deep understanding and market influence in the clean energy industry.

The Company is a comprehensive energy and power listed company mainly engaged in clean energy, combining hydro, thermal, wind and solar power. It vigorously develops the clean energy business dominated by hydropower. The proportion of clean energy is relatively high and steadily increasing. Through strategic cooperation, NCSSF can bring various collaborative resources such as clean energy project development, upstream and downstream cooperation of industrial chain and overall strategy of the company to the listed company, thus improving their competitiveness in the field of clean energy.

In addition, NCSSF intends to invest in SDIC Power as a strategic investor and is willing to hold shares of the Company for a long time. According to the development plan and return level of the Company's clean energy business, it will provide continuous capital support for the Company's clean energy business properly on the premise of meeting its own investment requirements. At the same time, NCSSF shall exercise relevant shareholders' rights such as voting rights and proposal rights in accordance with the law, conscientiously perform corresponding duties, nominate directors to effectively participate in corporate governance and improve the level of corporate governance. Through its professional post-investment management team, it can assist the Board of Directors and its special committees to make decisions, play an active role in corporate governance, maximize the interests of the Company and safeguard the rights and interests of all shareholders.

2. Relieve the current financial pressures on the listed company and foster the rapid development of its core business

In alignment with the Company's strategic planning outlined in the "14th Five-Year Plan," the Company is accelerating its trajectory of clean energy development, which entails substantial capital requirements. By the Issuance to the specific object, the Company will obtain funds for long-term development, support the construction of high-quality clean energy projects with great strategic significance, such as Mengdigou Hydropower Station and Kala Hydropower Station, and effectively alleviate its financial pressure.

The Company will further consolidate the foundation of sustainable development in terms of long-term strategy, business layout and financial capacity, seize market development opportunities, and create good conditions for the Company to achieve

leapfrog development and enhance core competitiveness. Therefore, the Issuance is a positive measure for the Company to enhance its operational capability and improve its sustainable development capability. It conforms to the national industrial policy and the Company's own development strategy, will improve the overall competitiveness of the Company, and is in line with the long-term interests of shareholders of the Company.

III. Necessity and Feasibility Analysis of the Projects Invested with Raised Funds

(I) Basic information of the projects invested with raised funds

The total amount of funds raised by issuing shares to the specific object (including issuance expenses) is up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

Before the funds raised by issuing shares to the specific object are in place, the Company will invest with self-raised funds according to the actual situation of the investment project of raised funds, and replace them according to the procedures prescribed by relevant laws and regulations after the raised funds are in place.

If the actual net amount of raised funds after deducting the issuing expenses is less than the total amount of raised funds to be invested in the above-mentioned project, within the final scope of this fundraising investment project, the Company will make appropriate adjustments to the capital investment priority and specific investment amount of the projects invested with raised funds according to the actual situation such as project construction progress and capital demand. The insufficient part of raised funds shall be solved by the Company with self-raised funds.

(II) Necessity and feasibility analysis of the projects invested with raised funds

1. Project necessity

(1) Implement the strategic plan of the "West-East Electricity Transmission Project" and transmit high-quality power to serve economic and social development

Aligned with the strategic planning of the "West-East Electricity Transmission Project" initiative, Sichuan serves as a crucial power feeding end area within the central corridor of China's "West-East Electricity Transmission Project". On August 6, 2018, the People's Government of Sichuan Province issued the *Opinions on Implementing Deepened Reform of the Power System* (CFF [2018] No. 26), proposing safeguard measures to realize fuller consumption of hydropower such as "accelerating the construction of hydropower transmission channels and realizing 'grid-to-grid' transmission". Due to the huge compensation and regulation effect of the Lianghekou Hydropower Station, some electric energy generated by cascade hydropower stations in the middle reaches of the Yalong River can be transmitted through "grid-to-grid".

The newly constructed Mengdigou and Kala Hydropower Stations, once regulated by the upstream Lianghekou Hydropower Station, will coordinate operations with it to provide peak load regulation. These stations, with their high-quality power generation, will play a significant role in the power supply to Central China, thereby injecting robust impetus into the economic and social development of these regions.

(2) Respond to the overall energy development plan of Sichuan Province and optimize the power supply structure of Sichuan Power Grid

The 14th Five-Year Plan for Energy Development of Sichuan Province emphasizes that "While reinforcing ecological environmental protection and ensuring proper resettlement, priority will be given to advancing the development of hydropower bases on the Jinsha River, Yalong River, and Dadu River. Efforts will be made to optimize the hydropower structure, give priority to the construction of reservoirs and hydropower stations with regulation capacity above the seasonal level, promote comprehensive basin management as a whole, give full play to the comprehensive role of hydropower stations in flood control, water storage and supply guarantee, water ecological protection, etc., and deepen pilot projects for comprehensive hydropower management in the Dadu River Basin. Hydropower stations such as Baihetan, Suwalong, Lianghekou, Yangfanggou,

Shuangjiangkou and Yingliangbao have been constructed. Efforts will be made continuously to promote the construction of Yebatan, Lawa and Kala hydropower stations, and start the construction of Xulong, Gangtuo, Benzilan, Mengdigou, Yagen II and Danba hydropower stations."

The Yalong River serves as a significant hydropower base in China, with its middle reaches strategically planned for development based on the "one reservoir and seven cascades" model, encompassing projects such as Lianghekou, Yagen I, Yagen II, Lenggu, Mengdigou, Yangfanggou and Kala. Upon the completion of the Mengdigou and Kala Hydropower Stations, the benefits of cascade compensation will be fully realized, contributing significantly to the holistic development of the Yalong River hydropower base. The deployment of the raised funds into the Mengdigou Hydropower Station and Kala Hydropower Station Project is in full alignment with the comprehensive energy strategy of Sichuan Province. Once put into operation, these hydropower stations will significantly enhance the Sichuan power grid's hydropower generation capacity during the dry season, mitigate the structural electricity shortage within the Sichuan power grid, and optimize the overall power supply structure.

2. Project feasibility

(1) The Yalong River Basin is abundant in hydropower resources, and the completion of hydropower station projects will be instrumental in fully leveraging the benefits of cascade development.

Blessed with abundant hydropower resources, the Yalong River Basin is one of the three "rich ore" areas for hydropower in Sichuan Province and is also among the thirteen largest hydropower bases in China. In the Yalong River Basin, there are three major reservoirs with multi-year regulation capabilities: the Lianghekou, Jinping I, and Ertan. Once completed, these reservoirs will provide comprehensive regulation capabilities for the cascade hydropower stations along the middle and lower reaches of the river, making it the river with the highest quality of electrical power among the major rivers in Sichuan Province.

The Mengdigou Hydropower Station and the Kala Hydropower Station are respectively the Cascade 5 and Cascade 7 hydropower stations in the cascade development scheme for the middle reaches of the Yalong River Basin. Their combined operation with the 'leading' cascade Lianghekou Hydropower Station in the middle reaches offers excellent regulation performance and superior power quality. This not only enhances the cascade benefits of the Yalong River but also significantly improves the hydropower output during dry periods in the Sichuan power grid and optimizes the power supply structure of the Sichuan grid. Additionally, it is beneficial for increasing the overall profitability of Yalong River Company.

(2) The Yalong Hydro has extensive project development experience and a solid technical foundation, providing strong support for the implementation of this project.

The main business of Yalong Hydro is hydropower generation. As authorized by the document *Reply from the General Office of the National Development and Reform Commission on the Main Body of the Cascade Development of Yalong River Hydropower Resources* (FGBNY [2003] No. 1052), Yalong Hydro is responsible for the development of Yalong River hydropower resources and is fully in charge of the construction and management of the Yalong River cascade hydropower stations. The plan includes developing 22-cascade hydropower stations on the Yalong River main stream, with a planned installed capacity of 30 million kilowatts. This installed capacity ranks third among the 13 major hydropower bases planned nationwide.

As of the end of the second quarter of 2024, Yalong Hydro has put into operation a total installed hydropower capacity of 19.2 million kilowatts. Additionally, 3.72 million kilowatts of installed hydropower capacity is under construction and has been approved. Among these, the lower-reach Jinping I, Jinping II, Guandi, Tongzilin, and Ertan Hydropower Stations are all in operation; the middle-reach Lianghekou Hydropower Station and Yangfanggou Hydropower Station have also been commissioned. Therefore, Yalong Hydro has successfully operated multiple hydropower projects. Its extensive experience in hydropower station development and

operation, along with its solid technical foundation, provides strong support for the smooth implementation of the Mengdigou Hydropower Station and Kala Hydropower Station projects, which demonstrates significant feasibility.

(III) Specific circumstances of the projects invested with raised funds

1. Mengdigou Hydropower Station Project

(1) Project overview

Mengdigou Hydropower Station is the fifth cascade in the seven-cascade development scheme for the middle reaches of the Yalong River. It connects upstream with the Lenggu cascade and downstream with the Yangfanggou cascade. The hub is located on the main stream of the Yalong River at the boundary between Ganzi Tibetan Autonomous Prefecture and Liangshan Yi Autonomous Prefecture in Sichuan Province. The reservoir area spans Jiulong County, Kangding City, and Yajiang County in Ganzi Tibetan Autonomous Prefecture, and Muli County in Liangshan Yi Autonomous Prefecture. The total installed capacity of the hydropower station is 2.4 million kilowatts, the average annual power generation for many years is 10.405 billion kilowatt hours, and the total project investment is RMB 34.722 billion. The total construction period of the Mengdigou Hydropower Station project is 105 months.

The implementation entity of the Project is Yalong Hydro, a controlled subsidiary of the Company.

(2) Approval procedures for project construction

1) The Project has obtained the *Reply from the Sichuan Provincial Development and Reform Commission on the Approval of the Yalong River Mengdigou Hydropower Station Project* issued by the Sichuan Provincial Development and Reform Commission in February 2021 (CFGNY [2021] No. 64);

2) The Project has obtained the *Reply on the Environmental Impact Assessment Report of Mengdigou Hydropower Station on Yalong River in Sichuan Province* issued

by the Ministry of Ecology and Environment of the People's Republic of China in November 2018 (HS [2018] No. 126);

3) In April 2023, the Project received the *Approval from the People's Government of Sichuan Province for Construction Land of the Yalong River Mengdigou Hydropower Station (Hub Area)* (CFT [2023] No. 498) for land in Ganzi Tibetan Autonomous Prefecture, and the *Approval from the People's Government of Sichuan Province for Construction Land of the Yalong River Mengdigou Hydropower Station* (CFT [2023] No. 499) for land in Liangshan Yi Autonomous Prefecture.

(3) Project benefits

According to the project's feasibility study report, the financial internal rate of return on equity for the Project is 8%, with an investment payback period of 20.4 years, indicating a favorable economic outlook for the project.

2. Kala Hydropower Station Project

(1) Project overview

The Kala Hydropower Station is the seventh cascade in the seven-cascade development scheme for the middle reaches of the Yalong River. The upstream cascade is Yangfanggou Hydropower Station and the downstream is Jinping I Hydropower Station. The Kala Hydropower Station project site is located about 4km upstream of Xiatianzhen Village, Kala Township, Muli County. The total installed capacity of the hydropower station is 1.02 million kilowatts, the average annual power generation for many years is 4.5238 billion kilowatt hours, and the total project investment is RMB 17.121 billion. The total construction period of the Kala Hydropower Station project is 83 months.

The implementation entity of the Project is Yalong Hydro, a controlled subsidiary of the Company.

(2) Approval procedures for project construction

1) The Project has obtained the *Reply from the Sichuan Provincial Development and Reform Commission on the Approval of the Yalong River Kala Hydropower Station Project* issued by the Sichuan Provincial Development and Reform Commission in June 2020 (CFGNY [2020] No. 323);

2) The Project has obtained the *Reply on the Environmental Impact Assessment Report of Kala Hydropower Station on Yalong River in Sichuan Province* issued by the Ministry of Ecology and Environment of the People's Republic of China in July 2015 (HS [2015] No. 184);

3) In January 2022, the Project received the *Approval from the People's Government of Sichuan Province for Construction Land of the Yalong River Kala Hydropower Station in Muli* (CFT [2022] No. 2).

(3) Project benefits

According to the project's feasibility study report, the financial internal rate of return on equity for the Project is 8%, with an investment payback period of 19.06 years, indicating a favorable economic outlook for the project.

IV. The Impact of the Issuance on the Company's Operating Conditions and Financial Conditions

(I) The impact of the Issuance on the Company's operating conditions

The funds raised from the Issuance will be directed towards projects aligned with the Company's core business, in accordance with national industry policies and the Company's overall strategic development direction. This will help enhance the Company's overall strength.

The Issuance will effectively enhance the Company's financial strength, support the expansion of its core business, consolidate its leading market position, and further improve its overall profitability. It will also boost the Company's ability to sustain development and its risk resistance capacity, laying a foundation for long-term growth and safeguarding the long-term interests of shareholders.

(II) The impact of the Issuance on the Company's financial conditions

Once the funds from the Issuance are in place, the Company's total assets and net assets will increase, and the asset-liability ratio will further decline. The optimization of the Company's financial structure will effectively reduce financial risks and provide strong support for the Company's sustainable development.

At the same time, the Company's total share capital will increase immediately, and there is a short-term risk of earnings per share being diluted. However, in the long term, the funds raised from the Issuance will help reduce the Company's financial expenses, enhance overall development and profitability, and thus strengthen the Company's core competitiveness.

V. Feasibility Analysis Conclusion

In summary, the use of the funds raised from the Issuance aligns with the Company's future overall strategic development plan as well as relevant policies and regulations. Once the funds from the Issuance are received and utilized, they will enhance the Company's overall competitive strength, boost its sustainability, and lay the foundation for achieving the Company's strategic goals. This aligns with the interests of the Company and all shareholders, demonstrating both necessity and feasibility.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024

Annex IV

SDIC Power Holdings Co., Ltd. Announcement on Dilution of Immediate Returns, Remedies and Commitments of Relevant Entities of the Company regarding the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024

According to the requirements of relevant laws, regulations, and normative documents such as the *Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium sized Investors in the Capital Market* (GBF [2013] No. 110), the *Several Opinions of the State Council on Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets* (GF [2024] No. 10), and the *Guiding Opinions on Relevant Issues Related to Immediate Return Diluted by Initial Public Offering, Refinancing and Major Asset Restructuring* (Announcement [2015] No.31 of CSRC), to protect the interests of small and medium-sized investors, SDIC Power Holdings Co., Ltd. (hereinafter referred to as 'the Company') has carefully analyzed the impact of the Issuance of shares to the specific object on the dilution of immediate returns and has formulated specific remedial measures on dilution of immediate returns. Relevant entities have made commitments to ensure that the remedies planned by the Company are effectively implemented. The specific details of these commitments are as follows:

I. The Impact of the Issuance on the Company's Key Financial Indicators

(I) Key assumptions

1. Assuming the Issuance is completed in November 2024 (this projected date is for calculating the impact of the dilution of immediate returns on key financial indicators only and does not constitute a commitment to the actual issuance completion date; the

final date will be subject to registration by the China Securities Regulatory Commission (hereinafter referred to as 'CSRC') and the actual issuance completion time).

2. Assuming the number of shares issued is 550,314,465 (the final number of shares issued will be based on the actual number of shares issued after registration with CSRC). Should the Company experience changes in its share capital, such as bonus issue or increase of capitals by converting accumulation funds, between the pricing base date and the issue date, the number of shares issued will be adjusted accordingly. Assuming the total amount of funds raised is RMB 7 billion (excluding issuance expenses).

3. The number of shares issued, the amount of funds raised, and the issuance date for the Issuance are only assumptions for calculation purposes. The final numbers will be based on the actual number of shares issued, the results of the issuance, and the actual date.

4. Assuming there are no significant changes in the macroeconomic environment, industrial policies, industry development conditions, and market conditions.

5. This calculation does not consider the impact of the funds raised from the Issuance on the Company's production and operations, financial condition (such as financial expenses and investment income), or other related factors.

6. According to the Company's 2023 annual report, the net profit attributable to the shareholders of the parent company for 2023 was RMB 6,704.937 million, and the net profit attributable to the shareholders of the parent company, excluding non-recurring profit or loss, was RMB 6,589.3785 million. Assuming that the net profit attributable to the shareholders of the parent company for 2024, whether or not deducting non-recurring profit or loss, is calculated based on the 2023 figures under three scenarios: remaining the same, increasing by 10%, and increasing by 20%.

7. In calculating the number of ordinary shares outstanding, only the impact of the Issuance on the total share capital is considered, without accounting for changes in share capital due to stock repurchase, cancellation, or increase of capitals by converting

accumulation funds.

The above assumptions are solely for calculating the impact of this transaction's dilution on immediate returns and key financial indicators. They do not represent the Company's judgment on future operational conditions and trends, nor do they constitute profit forecasts. The investors shall not make an investment decision based on such assumptions. If yes, the Company will not shoulder the responsibility for the losses caused thereby.

(II) The impact of the Issuance on the Company's key financial indicators

Based on the above assumptions, the Company has calculated the impact of the Issuance on earnings per share. The results of the calculation are as shown in the table below:

Item	2023 /December 31, 2023	2024/December 31, 2024	
		Before issuance	After issuance
Total capital stock at the end of the period (shares)	7,454,179,797	7,454,179,797	8,004,494,262
Assumption 1: The net profit attributable to the ordinary shareholders of the listed company for 2024, as well as the net profit attributable to the ordinary shareholders of the listed company after excluding non-recurring profit or loss, will remain the same as in 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	670,493.70	670,493.70
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	658,937.85	658,937.85
Basic earnings per share (RMB/share)	0.88	0.88	0.87
Diluted earnings per share (RMB/share)	0.88	0.88	0.87
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.86	0.85
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.86	0.85

Assumption 2: The net profit attributable to the ordinary shareholders of the listed company for the year 2024, as well as the net profit attributable to the ordinary shareholders after deducting non-recurring profit or loss, increased by 10% compared to 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	737,543.07	737,543.07
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	724,831.64	724,831.64
Basic earnings per share (RMB/share)	0.88	0.97	0.96
Diluted earnings per share (RMB/share)	0.88	0.97	0.96
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.95	0.94
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	0.95	0.94
Assumption 3: The net profit attributable to the ordinary shareholders of the listed company for the year 2024, as well as the net profit attributable to the ordinary shareholders after deducting non-recurring profit or loss, increased by 20% compared to 2023.			
Net profit attributable to shareholders of the parent company (RMB 10,000)	670,493.70	804,592.44	804,592.44
Net profit attributable to the parent company's shareholders after deducting non-recurring profit or loss (RMB 10,000)	658,937.85	790,725.42	790,725.42
Basic earnings per share (RMB/share)	0.88	1.06	1.05
Diluted earnings per share (RMB/share)	0.88	1.06	1.05
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	1.04	1.03
Diluted earnings per share after deducting non-recurring profit or loss (RMB/share)	0.86	1.04	1.03

Note: "The calculation formulas for basic earnings per share and diluted earnings per share are in accordance with the requirements of the *Guiding Opinions on Relevant Issues Related to Immediate Return Diluted by Initial Public Offering, Refinancing and Major Asset Restructuring* formulated by

the China Securities Regulatory Commission and the provisions of the *Information Disclosure Compilation Rules for Companies that Offer Securities to the Public No. 9-Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised in 2010)*.

After the completion of the Issuance, the Company's total share capital and net assets will increase. If the Company's business scale and net profit do not achieve a corresponding increase, it is expected that financial indicators such as earnings per share and the weighted average return on net assets will decline to some extent after the Issuance, resulting in a risk of dilution of shareholders' immediate returns. Furthermore, if there are significant changes in the assumptions or the Company's operating conditions discussed above, the possibility that the Issuance will lead to a change in the dilution of immediate returns cannot be ruled out.

Investors are hereby reminded to be aware of the potential risk of dilution of immediate shareholder returns from the Issuance.

II. Analysis on the Necessity and Rationality of the Issuance to the Specific Object and the Relevance between the Projects Invested with Raised Funds and the Company's Existing Business

(I) Analysis on the necessity and rationality of the Issuance to the specific object

Please refer to "II. Background and Purpose of the Issuance" under "Chapter I: Overview of the Issuance" and " II. Necessity and Feasibility Analysis on the Use of Raised Funds" under " Chapter V Feasibility Analysis on the Use of Raised Funds by the Board of Directors" in the *SDIC Power Holdings Co., Ltd. Tentative Plan for the Issuance of A Shares to the Specific Object — National Council for Social Security Fund of The People's Republic of China in 2024* for specific analysis of the necessity and reasonableness of the Issuance.

(II) The relationship between the projects invested with raised funds and the Company's existing business, and the Company's reserves in personnel, technology, and market aspects for the projects invested with raised funds

All the funds raised by the Company in the Issuance will be used for the investment,

development, construction, and operation of clean energy projects, and related projects invested with raised funds will be closely focused on the Company's existing business. The Company has accumulated rich experience in the construction and operation of related clean energy projects in daily production and operation, and possesses sufficient reserves in personnel, technology, market, etc., which lays a sound foundation for its successful implementation of related fundraising projects.

III. Remedies for the Dilution of Immediate Returns from the Issuance

The Issuance to the specific object may lead to a decrease in investors' immediate returns. In order to protect investors' interests, the Company intends to enhance its competitiveness through various ways to fill shareholders' returns. The specific measures are as follows:

(I) Strengthen the management of raised funds and improve the efficiency of funds use

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Registration of Securities Offering by Listed Companies*, the *Announcement on Issuing Regulatory Guidelines for Listed Companies No. 2 - Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Guidelines No. 1 of Shanghai Stock Exchange for Self-regulation of Listed Companies - Standardized Operation* (December 2023 Revision), etc, the Company will formulate and continuously improve the *Management System of Raised Funds*, clearly stipulating the storage, use, change of use, management and supervision of special accounts for raised funds, so as to ensure the Company's standardized and effective use of raised funds. Once the raised funds are paid upon the Issuance, the Board of Directors of the Company will continue to supervise the Company's depositing of raised funds into special accounts, ensure the use of raised funds for designated purposes, conduct internal audits of raised funds on a regular basis, and cooperate with regulatory banks and sponsors to inspect

and supervise the use of raised funds, so as to ensure the reasonable and standardized use of raised funds and reasonably prevent any and all risks associated to raised funds.

(II) Improve the overall management and provide institutional guarantee for the Company's development

In compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance of Listed Companies*, and other applicable laws and regulations, normative documents, etc., the Company will constantly improve the corporate governance structure to ensure that shareholders can fully exercise their rights, that the Board of Directors can exercise its functions and powers in accordance with laws, regulations and the Articles of Association and make scientific, prompt and prudent decisions, that independent directors can conscientiously perform their duties and safeguard the overall interests of the Company, especially the legitimate rights and interests of minority shareholders, and that the Supervisory Committee can independently and effectively exercise the right to supervise and inspect the directors, managers and other senior executives and the Company's finances, and provide institutional guarantee for the Company's development.

The Company will improve and perfect its business processes, further promote the deep integration of enterprise management with laws and regulations, continuously optimize the management and control interface between the Company and its subsidiaries, further strengthen the system construction by combing and improving the system hierarchy, decision-makers and management processes, establish a scientific and efficient management system, and improve the ability of risk prediction, proactive response and resolution. In addition, the Company will strengthen the management and control of investments, mergers and acquisitions, operation management and capital operation process for domestic and foreign projects to ensure legal compliance and steady operation. Through the above measures, the Company will comprehensively improve its management system, thereby enhancing the Company's operating results.

(III) Continuously improve the profit distribution policy and strengthen the investor return mechanism

In accordance with the *CSRC Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies* (ZJF [2012] No. 37), the *Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies* (2023 Revision), etc., on the basis of fully considering the actual situation of the Company's operation and development, shareholders' returns and other factors, the Company will further clarify the return on equity dividends to shareholders, and continuously improve and refine the provisions on dividend distribution principles in the Articles of Association to enhance the transparency and operability of dividend distribution decisions. In the future, the Company will strictly implement the profit distribution policy, actively implement the profit distribution to shareholders and optimize the return on investment mechanism in line with the distribution conditions.

The formulation by the Company of the above-mentioned remedies does not mean that the Company makes any guarantee for future profits. Please pay attention to investment risks.

IV. Commitments of Stakeholders

(I) Commitments of the Company's controlling shareholder

In order to ensure that the remedies for any dilution of immediate returns through the Issuance can be effectively implemented, SDIC, the Company's controlling shareholder, undertakes as follows:

1. Not to interfere with the Company's management beyond its authority or encroach on the Company's interests; and

2. To make supplementary commitments in accordance with the latest regulations of relevant regulatory agencies, if the CSRC, the Shanghai Stock Exchange and other relevant regulatory agencies make such latest regulations on the remedies for any dilution of immediate returns and related commitments from the date of this commitment to the date when the Company's issuance to the specific object is completed, and the original commitment cannot meet the requirements of these regulatory agencies.

(II) Commitments of the Company's directors and senior executives

In order to ensure that the remedies for any dilution of immediate returns through the Issuance can be effectively implemented, the Company's directors and senior executives undertake as follows:

1. Not to offer benefits to any other entities or individuals at no cost or upon unfair conditions, nor jeopardize the Company's interest in other ways;
2. To restrain their position-related consumption;
3. Not to use the assets of the Company to engage in any investment or consumption activities not related to the performance of their duties;
4. To support the Board of Directors of the Company to associate the formulation, amendment and supplement of the rules on remuneration for directors and senior executives to the implementation of the Company's remedies;
5. To associate the proposed exercise conditions for the Company's stock ownership incentives to the implementation of the Company's remedies, if the Company subsequently launches any stock incentive policy; and
6. To make supplementary commitments in accordance with the latest regulations of relevant regulatory agencies, if the CSRC, the Shanghai Stock Exchange and other relevant regulatory agencies make such latest regulations on the remedies and related commitments from the date of this commitment to the date when the Company's issuance to the specific object is completed., and the original commitment cannot meet the requirements of these regulatory agencies.

The Announcement is hereby given.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024

Annex V

Announcement of SDIC Power Holdings Co., Ltd. on Signing the *Conditional Subscription Agreement for Issuance of Shares to the Specific Object* and Related- Party Transactions with Respect to the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China

Important Reminders:

- Transaction Overview: SDIC Power Holdings Co., Ltd. (hereinafter referred to as the "Company" or the "Listed Company") intends to issue A shares (hereinafter referred to as the "the Issuance") to the specific object, namely the National Council for Social Security Fund of The People's Republic of China (hereinafter referred to as the "NCSSF"). The Company intends to issue 550,314,465 A shares to the NCSSF at the issuance price of RMB 12.72 per share, with a total transaction amount not exceeding RMB 7 billion. The number of shares issued will not exceed 30% of the total pre-issuance share capital of the Company, and the NCSSF will fully subscribe to the A shares offered by the Company in the Issuance in cash.

- NCSSF is not correlated with the Company prior to completion of the Issuance. Following the completion of the Issuance, NCSSF is expected to hold more than 5% of the Company's shares. According to the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* and other relevant laws, regulations, normative documents, as well as the Company's *Articles of Association*, NCSSF will become a related party of the Company, and its subscription for the shares offered in the Issuance will constitute a related-party transaction with the Company.

- This related-party transaction does not constitute a material asset

reorganization as defined in the *Administrative Measures for the Material Asset Reorganizations of Listed Companies*.

- Matters related to the Issuance have been reviewed and approved by the 33rd Meeting of the Twelfth Board of Directors of the Company. However, these matters are required to get further approvals from the competent state-owned assets regulator or its authorized body, and be deliberated and passed at the General Meeting of Shareholders of the Company, reviewed and approved by the Shanghai Stock Exchange, and approved for registration by the China Securities Regulatory Commission (hereinafter referred to as "CSRC") before the Issuance can be implemented. There is uncertainty regarding whether the Issuance proposal will obtain the necessary approvals and the timing of such approvals.

- Within the past 12 months, the Company has not conducted any related-party transaction with the same related person or similar transactions with different related persons.

I. Overview of related-party transaction

On September 17, 2024, the Company and the NCSSF entered into the *Conditional Subscription Agreement for Issuance of A Shares by SDIC Power Holdings Co., Ltd. to the Specific Object* (hereinafter referred to as the "*Conditional Share Subscription Agreement*"). The Company intends to issue 550,314,465 A shares to the NCSSF at the issue price of RMB 12.72 per share, with a total transaction amount not exceeding RMB 7 billion. The number of shares issued will not exceed 30% of the total pre-issuance share capital of the Company, and the NCSSF intends to fully subscribe to the A shares offered by the Company in the Issuance in cash.

Following the completion of the Issuance, NCSSF is expected to hold more than 5% of the Company's shares. According to the relevant stipulations of *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, NCSSF will become a related party of the Company, and its subscription for the shares offered in the Issuance will constitute a related-party transaction.

Within the past 12 months, the Company has not conducted any related-party

transaction with the NCSSF or similar transactions; the Company has not issued any share and not entered into any related-party transaction of the same category with different related persons.

II. Introduction of related parties

(I) Related relationship

The issuing object is the NCSSF, which is expected to hold more than 5% of the Company's shares upon the completion of the Issuance. According to the relevant provisions of the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, NCSSF is the related party of the Company.

(II) Basic information

Name: National Council for Social Security Fund of The People's Republic of China

Legal representative: Liu Wei

Unified Social Credit Code: 12100000717800822N

Address: South Wing, Fortune Times Building, No.11, Fenghuiyuan, Xicheng District, Beijing

Organization Type and Economic Nature: Public institution

Initial Capital: RMB 8 million

Duties and responsibilities:

The NCSSF performs the following duties and responsibilities as a fund investor and operator:

(1) Manage and operate the national social security fund;

(2) Entrusted by the State Council, centrally hold and manage the transferred state-owned equity of central enterprises and other state-owned assets.

(3) Approved by the State Council, be authorized to manage the investment and operation of the basic pension insurance fund.

(4) According to the scope and proportion approved by the State Council, directly invest in and operate, or select and entrust professional institutions to operate, the fund assets, regularly report the investment and operation to the relevant departments, submit financial and accounting reports, and accept supervision.

(5) Regularly announce the income and expenditure, management and investment operation of the fund to the public.

(6) Allocate funds according to the instructions issued by the relevant departments in the determined method.

(7) Other tasks.

(III) Equity control relationship

The NCSSF is a public institution managed by the Ministry of Finance.

(IV) Main business

With the approval of the State Council, under the provisions of the Ministry of Finance and the Ministry of Human Resources and Social Security, NCSSF is entrusted to manage the national social security fund, the basic endowment insurance fund and a part of the transferred state-owned capital.

(V) Brief financial data

Unit: RMB 100 million

Item	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	28,835.21	30,196.50	29,226.67
Total liabilities	2,819.06	3,193.06	2,438.48
Total equity	26,016.15	27,003.44	26,788.19
Item	FY2022	FY2021	FY2020

Revenue	-1,236.93	1,271.11	4,148.20
Net profit	-1,380.90	1,129.98	3,786.68

Note: The table shows the financial data of the national social security fund, and the 2020-2022 data has been audited, and the 2023 data has not been published.

III. Related-party transaction object

The related-party transaction object is the A shares offered by the Company in the Issuance.

IV. Price of related-party transaction

The pricing base date of the Issuance is the date when the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Company is announced. The issue price is 80% of the average price of listing company's stock trading's 20 trading days (excluding the pricing base date, same below) before the pricing base date and the net asset value per share belonging to the parent company in the audited consolidated statements of the listing company at the end of most recent year as of the pricing base date (when calculating such indicators, deduct effect of existing perpetual bonds of the listing company in the balance sheet. If the share price of the listed company has gone ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer). The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total number of shares traded in 20 trading days before the pricing base date. If the Company's share price is adjusted due to ex-rights and ex-dividend matters within 20 trading days before the pricing base date, the trading price on the trading day before the adjustment shall be the price subject to corresponding ex-rights and ex-dividend.

According to the above provisions, the Parties have reached a consensus through negotiation that the issue price is determined as RMB 12.72/share, which is not lower

than 80% of the average transaction price of the Company's shares in the twenty trading days before the pricing base date.

If share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the issue price for the specific object shall be adjusted accordingly, and the formula of issue price adjustment is as follows:

Cash dividends distributed: $P1 = P0 - D$

Shares to be delivered or converted into share capital: $P1 = P0 / (1 + N)$

Above two items conducted concurrently: $P1 = (P0 - D) / (1 + N)$

Where P0 is the issue price before the adjustment; P1 is the issue price after the adjustment; D is cash dividends distributed per share; and N is the number of shares to be delivered or converted into share capital.

If the Company's shares are divided, merged, or allotted during the period from the pricing base date to the issue date, the issue price per share shall be adjusted according to the principles determined by the Shanghai Stock Exchange.

From the pricing base date to the issue date, if relevant laws, regulations and normative documents or the CSRC makes policy adjustments on the issue price, pricing method and other matters applicable to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

V. Main contents of the related-party transaction agreement

On September 17, 2024, the Company and the NCSSF signed the *Conditional Share Subscription Agreement*, the main contents of which are described as follows:

(I) Parties and signing date

The Agreement is signed in Beijing China on September 17, 2024 by and between:

1. Party A (the Issuer): SDIC Power Holdings Co., Ltd.
2. Party B (the Subscriber): National Council for Social Security Fund of The

People's Republic of China

(II) The Issuance

1. The Issuance made by the Issuer is A shares, and par value per share is RMB 1.00.

2. Party B agrees to subscribe all shares of the Issuance made by the Issuer in cash according to terms and conditions in the agreement.

(III) Issue price and pricing principle

1. The pricing base date of the Issuance is the date when the resolution of the 33rd Meeting of the Twelfth Board of Directors of the Issuer is announced.

2. The issue price of the Issuance is RMB 12.72/share. The pricing base date when shares are issued to the specific object is the date when the resolution of the Board of Directors on the Issuance is announced. The issue price is 80% of the average price of listing company's stock trading's 20 trading days (excluding the pricing base date, same below) before the pricing base date and the net asset value per share belonging to the parent company in the audited consolidated statements of Party A at the end of most recent year as of the pricing base date (when calculating such indicators, deduct effect of existing perpetual bonds of Party A in the balance sheet. If Party A's share price has gone ex-rights and ex-dividend during the period from the balance sheet date in the audited financial report at the end of the latest year to the pricing base date, the net asset value per share shall be adjusted accordingly), whichever is higher (the issue price is reserved for two decimal places and rounded up to an integer).

The average price of shares traded by listed companies in 20 trading days before the pricing base date = total amount values of shares traded in 20 trading days before the pricing base date/total number of shares traded in 20 trading days before the pricing base date. If Party A's share price is adjusted due to ex-rights and ex-dividend matters within 20 trading days before the pricing base date, the trading price on the trading day before the adjustment shall be the price subject to corresponding ex-rights and ex-dividend.

3. If Party A's share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the issue price for the specific object shall be adjusted accordingly, and the formula of issue price adjustment is as follows:

(1) Cash dividends distributed: $P1 = P0 - D$

(2) Shares to be delivered or converted into share capital: $P1 = P0 / (1 + N)$

(3) Above two items conducted concurrently: $P1 = (P0 - D) / (1 + N)$

Where P0 is the issue price before the adjustment; D is cash dividends distributed per share; N is the number of shares to be delivered or converted into share capital; P1 is the issue price after the adjustment.

If Party A's shares are divided, merged, or allotted during the period from the pricing base date to the issue date, the issue price per share shall be adjusted according to the principles established by the Shanghai Stock Exchange.

From the pricing base date to the issue date, if relevant laws, regulations and normative documents or the CSRC makes policy adjustments on the issue price, pricing method and other matters applicable to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

(IV) Subscription amount, method and number

1. The total amount of funds to be raised by Party A in the Issuance shall not exceed RMB 7 billion, and all issued shares shall be subscribed by Party B in cash.

Party B shall subscribe no more than 550,314,465 shares issued to the specific object. The subscription number shall be determined as follows: subscription amount/issue price = subscription amount. If there is less than 1 share, the mantissa shall be rounded down to an integer.

If the total amount of funds to be raised in the Issuance or the total number of issued shares needs adjustment due to changes in regulatory policies or as required in registration documents, Party B's subscription number shall be adjusted accordingly. If

Party A's share price has gone ex-rights and ex-dividend during the period from the pricing base date to the issue date, the number of shares subscribed by Party B for the Issuance shall be adjusted based on the issue price after the adjustment as specified in Article 3.3 of the *Conditional Share Subscription Agreement*.

2. After all entry-into-force conditions of the Issuance are satisfied and achieved, the Issuer and the lead underwriter employed by the Issuer for the Issuance shall send a *Demand Notice* to Party B within the valid period of CSRC's approval of registration. The *Demand Notice* shall set out the number of shares subscribed by the subscriber, the subscription price per share, the subscription amount to be paid by the subscriber, and the payment due date, as well as the details of the bank account designated to receive the subscription amount. Unless subject to the valid period of CSRC's approval of registration, Party A shall ensure that the payment due date specified in the *Demand Notice* shall not be less than 3 natural days from the date on which Party B receives the *Demand Notice*.

3. Party B shall transfer the total share subscription amount in cash to the bank account opened specially for the Issuance by the sponsor institution of the Issuer before the payment due date, and the Issuer shall employ an accounting firm engaged in securities service business (hereinafter referred to as the "Qualified Accounting Firm") to verify Party B's payment and issue a *Capital Verification Report*. After the Qualified Accounting Firm verifies Party B's subscription amount and deducts correlative expenses, the subscription amount shall be transferred to the Issuer's special storage account for raised funds.

4. After the Qualified Accounting Firm completes the capital verification for the Issuance, the Issuer shall timely modify its existing Articles of Association based on the circumstances of the Issuance, and go through the relevant formalities for change of registration at the registration authority. The Issuer shall, within 10 working days after receiving the total share subscription amount, go through the formalities for registration and trusteeship of the new shares at the registration and settlement institution.

(V) Share lock-up

Party B shall not transfer Class A shares issued by Party A within 36 months from the closing date of the Issuance. Where there are special requirements for the restricted sale of shares in the relevant laws and regulations and normative documents, the provisions of the relevant laws and regulations and normative documents shall prevail. After the closing of the Issuance, if Party B increases its holding of Party A's shares due to Party A's issuance of bonus shares, conversion of capital reserves into share capital, share division and allotment within the lock-up period, the above terms shall apply.

Upon expiration of the aforesaid lock-up period, Class A shares issued by Party A to Party B will be listed and traded on the Shanghai Stock Exchange.

(VI) Accumulated profits

The accumulated undistributed profits before the Issuance by Party A will be shared by all shareholders according to the shareholding ratio after the Issuance.

(VII) Validity of the Agreement

This Agreement shall come into force upon being signed and sealed by legal representatives or authorized representatives of Party A and Party B. Except for Article 8 "Confidentiality" hereof, which shall come into force on the date of this Agreement, other provisions shall come into force on the date on which all of the following conditions (the "Entry-into-force Conditions") are met (the date on which the last condition is met shall be the effective date of this Agreement).

(1) The Board of Directors and the Board of Shareholders of Party A shall deliberate on and approve all matters relating to the Issuance;

(2) Party A shall be entitled to obtain the approval of the competent state-owned assets regulator or its authorized body for the Issuance and related matters;

(3) The Issuance shall be verified by the Shanghai Stock Exchange, with CSRC's approval of registration.

(VIII) Change, cancellation and termination of the Agreement

1. The Parties hereto may modify this Agreement and sign a supplementary agreement after reaching a consensus according to changes in circumstances or as needed, and any supplementary agreement that modifies this Agreement shall have the same legal effect as this Agreement. In case of any discrepancy, the supplementary agreement shall prevail.

2. This Agreement may be terminated under any of the following circumstances:

(1) If this Agreement becomes unenforceable due to force majeure, it may be terminated according to law upon written confirmation by the Parties;

(2) If this Agreement fails to come into force due to the failure of satisfaction of all Entry-into-force Conditions, it shall be terminated automatically;

(3) If either party seriously violates this Agreement and fails to take remedial actions within 15 days upon its receipt of the written notice from the non-breaching party, the non-breaching party is entitled to unilaterally terminate this Agreement by sending a written notice to the breaching party.

(IX) Liability for breach

1. After the signing of this Agreement, the failure of either party to perform or to perform in a timely or appropriate manner any of its obligations hereunder or the breach of any representation, warranty or undertaking made by it hereunder shall constitute a breach of contract. The non-breaching party shall be entitled to require the breaching party to continue to perform its obligations and to bear the liability for breach in accordance with the laws and the provisions hereof. No matter what remedial actions the non-breaching party may take, the breaching party shall compensate it for all losses caused thereby.

2. The partial or total failure of either party to perform its obligations hereunder due to force majeure and through no fault of its own shall not be deemed as a breach of

contract, but it shall take all necessary remedial actions to reduce the loss caused by force majeure as far as practicable.

3. Any failure to obtain approval of Party A's Board of Directors/Board of Shareholders for the Issuance, to pass the examination of the Shanghai Stock Exchange, or to obtain CSRC's approval of registration shall not constitute a breach of contract, and the Parties shall not be liable for breach of contract. If the Issuance is adjusted or canceled as required by the CSRC or Shanghai Stock Exchange, neither party shall be liable to the other party for any adjustment or cancellation of the Issuance.

VI. Impact of related-party transaction on listed companies

(I) Leverage the strategic investor advantage of the NCSSF to promote the development of the Company's clean energy business

NCSSF has actively studied and extensively arranged investment in the fields of "carbon peaking and carbon neutrality", with a broad and deep understanding and market influence in the clean energy industry.

The Company is a comprehensive energy and power listed company mainly engaged in clean energy, combining hydro, thermal, wind and solar power. It vigorously develops the clean energy business dominated by hydropower. The proportion of clean energy is relatively high and steadily increasing. Through strategic cooperation, NCSSF can bring various collaborative resources such as clean energy project development, upstream and downstream cooperation of industrial chain and overall strategy of the company to the listed company, thus improving their competitiveness in the field of clean energy.

In addition, NCSSF intends to invest in SDIC Power as a strategic investor and is willing to hold shares of the Company for a long time. According to the development plan and return level of the Company's clean energy business, it will provide continuous capital support for the Company's clean energy business properly on the premise of meeting its own investment requirements. At the same time, NCSSF shall exercise

relevant shareholders' rights such as voting rights and proposal rights in accordance with the law, conscientiously perform corresponding duties, nominate directors to effectively participate in corporate governance and improve the level of corporate governance. Through its professional post-investment management team, it can assist the Board of Directors and its special committees to make decisions, play an active role in corporate governance, maximize the interests of the Company and safeguard the rights and interests of all shareholders.

(II) Improve the Company's current financial tightness and accelerate the growth of main business

In alignment with the Company's strategic planning outlined in the "14th Five-Year Plan," the Company is accelerating its trajectory of clean energy development, which entails substantial capital requirements. By the Issuance to the specific object, the Company will obtain funds for long-term development, support the construction of high-quality clean energy projects with great strategic significance, such as Mengdigou Hydropower Station and Kala Hydropower Station, and effectively alleviate its financial pressure.

The Company will further consolidate the foundation of sustainable development in terms of long-term strategy, business layout and financial capacity, seize market development opportunities, and create good conditions for the Company to achieve leapfrog development and enhance core competitiveness. Therefore, the Issuance is a positive measure for the Company to enhance its operational capability and improve its sustainable development capability. It conforms to the national industrial policy and the Company's own development strategy, will improve the overall competitiveness of the Company, and is in line with the long-term interests of shareholders of the Company.

In addition, the issuance will neither result in any change in the actual control of the Company, nor lead to any material changes in the ownership structure of the Company or in the composition of senior executives of the Company. The Issuance is conducive to the sustainable development of the Company, and there is no harm to the

interests of the Company or its shareholders.

VII. Review procedures for this transaction

(I) Review procedures performed in this transaction

The relevant proposals for the Issuance were reviewed and approved by the Company's Strategy Committee and Audit Committee, and were unanimously approved by the Company's Independent Directors at the special meeting.

On September 17, 2024, proposals concerning the Issuance, such as, the *Proposal on the Company's Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*, *Proposal on the Company's Tentative Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*, and *Proposal on Signing the Conditional Share Subscription Agreement for Issuance of A Shares to the Specific Object by SDIC Power Holdings Co., Ltd.*, were unanimously approved at the 33rd Meeting of the Twelfth Board of Directors.

Proposals concerning the Issuance, such as, the *Proposal on the Company's Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*, *Proposal on the Company's Tentative Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*, and *Proposal on Signing the Conditional Share Subscription Agreement for Issuance of A Shares to the Specific Object by SDIC Power Holdings Co., Ltd.*, were reviewed and approved at the 17th Meeting of the Twelfth Supervisory Committee of the Company.

(II) Approval procedures yet to be fulfilled for this transaction

The Issuance still needs the approval of the competent state-owned assets regulator or its authorized body, the deliberation and approval of the Company's general meeting of shareholders, the review and approval of the Shanghai Stock Exchange, and the approval for registration by CSRC before its implementation. Investors are requested to

pay attention to investment risks.

The Announcement is hereby given.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024

Annex VI

SDIC Power Holdings Co., Ltd.

Shareholders' Returns Planning in the Next Three Years (2024 -2026)

In order to further clarify the reasonable investment returns to investors, refine the provisions on profit distribution policies in the *Articles of Association*, increase the transparency and operability of profit distribution decisions, facilitate the oversight of investors on corporate operation and profit distribution, and guide investors to establish long-term investment and rational investment concepts, SDIC Power Holdings Co., Ltd. (hereinafter referred to as "the Company") hereby formulates a dividend returns planning for the next three years (2024-2026) according to the *Notice on Further Implementing Matters Related to Cash Dividends of Listed Companies (ZJF [2012] No.37)* issued by China Securities Regulatory Commission, the *Guidelines for Supervision of Listed Companies No.3 - Cash Dividends of Listed Companies (Revised in 2023)* and other relevant documents like the *Articles of Association*. Details are as follows:

I. The Company's Profit Distribution Policy

According to the Articles of Association, the Company's policy related to profit distribution is as follows: "

10.1.8 The Company's profit distribution policy is:

(I) Profit distribution principle

The Company's profit distribution should pay attention to the reasonable returns on investment to the public shareholders, aiming at sustainable development and safeguarding shareholders' rights and interests, and the Company should maintain the continuity and stability of the profit distribution policy.

The Company's profit distribution shall not exceed the range of accumulated distributable profits, and shall not prejudice the Company's ability to continue as a going concern.

(II) Profit distribution form

The Company distributes profits by cash, stock, combination of cash and stock, or other reasonable means in line with laws and administrative regulations.

The Company gives priority to the profit distribution method of cash dividends.

When distributing profits in cash, the Company shall fully consider the capital needs of daily production and operation activities and investment activities in the future as well as the cost and efficiency of financing from banks and securities markets in the future to ensure that the distribution scheme does not affect the Company's going concern and development.

When distributing profits by means of stocks, the Company should fully consider real and reasonable factors such as the Company's growth and the dilution of net assets per share and compatibility of total shares after profit distribution with the Company's scale of operation, so as to ensure that the distribution scheme is in line with the overall interests of shareholders of the Company.

(III) Specific conditions and proportions for cash dividends

Under the condition that the Company is profitable in the current year and has no unrecovered losses, if there are no major investment plans or major cash expenditures, the Company shall distribute dividends in cash.

Major investment plans or major cash expenditures refer to that the Company plans to outbound invest, acquire assets or purchase equipment in the next 12 months (except for the projects of raised funds), and the accumulated expenditure reaches or exceeds 30% of the latest audited net assets of the Company or a single cash expenditure item exceeds RMB 500 million.

The cumulative cash dividends distributed by the Company in recent three years are no less than thirty percent of the average annual profits available for distribution in recent three years.

(IV) Specific conditions for issuing stock dividends

On the basis of giving priority to cash dividends, when the Company is in good operating condition, and the scale of share capital is reasonable, and the Board of Directors of the Company thinks that issuing stock dividends is beneficial to the growth of the Company and the interests of all shareholders, a stock dividend distribution plan can be put forward.

(V) Interval between profit distribution periods

The Company shall put forward a profit distribution scheme at the annual meeting of the Board of Directors and implement it after being approved by the general meeting of shareholders.

Under the condition of meeting the aforesaid cash dividends, the Company shall make a cash dividend once a year. According to the Company's profitability and capital demand, and upon the proposal of the Company's Board of Directors and the approval of the General Meeting of Shareholders, medium-term cash dividends may also be distributed.

(VI) The Board of Directors of the Company shall distinguish the following cases and put forward differentiated cash dividend policy according to the procedures specified in these Articles of Association by considering its industrial characteristics, development stage, business model, profitability, major capital expenditure arrangement, and investor returns:

1. If the Company is at a mature development stage, without major capital expenditure arrangement, cash dividends shall account for at least 80% of the distributed profits;

2. If the Company is at a mature development stage, with a major capital expenditure arrangement, cash dividends shall account for at least 40% of the distributed profits;

3. If the Company is at a growth development stage, with a major capital expenditure arrangement, cash dividends shall account for at least 20% of the distributed profits.

The development stage at which the Company distributes dividends shall be determined by the Board of Directors based on the specific situation. If the actual development stage of the Company cannot be identified, and the Company has a major capital expenditure arrangement, it is still allowed to make decisions based on the provisions of (III).

(VII) If the profit distribution policy is adjusted due to the needs of the Company's production and operation and long-term development, the interests of shareholders shall be first protected. The adjusted profit distribution policy shall not violate the relevant laws, regulations, normative documents and the relevant provisions of Articles of association. The adjustment scheme of the profit distribution policy shall seek the opinions of supervisors in advance. It shall be submitted to the general meeting of shareholders for deliberation after being reviewed and approved by the Board of Directors. Then, it shall be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting of shareholders.

(VIII) The proportion of cash dividend in this profit distribution shall be obtained by making cash dividend divided by the sum of cash dividend and stock dividend.

II. Profit Distribution and Use of Undistributed Profits in Recent Three Years

(I) Profit distribution in recent three years

On June 19, 2024, the Company convened its 2023 Annual General Meeting of Shareholders, where the 2023 Profit Distribution Scheme was deliberated and approved. The profit distribution was calculated based on a total share capital of 7,454,179,797 shares as of the end of 2023. A cash dividend, inclusive of taxes, of RMB 0.4948 per share was disbursed, amounting to an aggregate cash dividend payout of approximately RMB 3,688,328,163.56.

On June 27, 2023, the Company convened its 2022 Annual General Meeting of Shareholders, where the 2022 Profit Distribution Plan was presented for deliberation and subsequently approved. The profit distribution was calculated based on a total share capital of 7,454,179,797 shares as of the end of 2022. A cash dividend, inclusive of taxes, of RMB 0.275 per share was distributed, amounting to an aggregate cash dividend payout of approximately RMB 2,049,899,444.18.

On June 22, 2022, the Company convened its 2021 Annual General Meeting of Shareholders, where the 2021 Profit Distribution Scheme was presented for deliberation and subsequently approved. The profit distribution was calculated based on a total share capital of 7,454,179,797 shares as of the end of 2021. A cash dividend, inclusive of taxes, of RMB 0.1635 per share was disbursed, amounting to an aggregate cash dividend payout of approximately RMB 1,218,758,396.81.

The Company's cash dividends for the past three years are detailed in the table below:

Unit: RMB 10,000

Item	Year 2023	Year 2022	Year 2021
Cash dividends (tax inclusive)	368,832.82	204,989.94	121,875.84
Net profit attributable to owners of the parent company	670,493.70	407,937.57	243,689.18
Cash dividends/net profit attributable to owners of the parent company in the current period	55.01%	50.25%	50.01%
Accumulated cash dividends in recent three years	695,698.60		
Average annual net profit attributable to owners of the parent company in recent three years	440,706.82		
Accumulated cash dividends in recent three years/average annual net profit attributable to owners of the parent company in the recent three years	157.86%		

The accumulated cash dividends of the Company in recent three years are RMB 6,956.99 million and the average annual net profit attributable to owners of the parent company realized by the Company in recent three years is RMB 4,407.07 million. The proportion of the accumulated cash dividends in recent three years in the average annual net profit attributable to owners of the parent company in recent three years is 157.86%.

(II) Use of undistributed profits in recent three years

After the withdrawal of the statutory surplus reserve from the net profits attributable to shareholders of the parent company realized by the Company in recent three years and the distribution of such net profits to shareholders, the remaining undistributed profits of the current year shall be transferred to the next year for further business development and later profit distribution.

III. The Company's Shareholders' Returns Planning From 2024 to 2026

(I) Factors to be considered in formulating this Planning

The Company formulates this Planning by focusing on long-term and sustainable development, comprehensively considering the specific situation and development goals of the Company, shareholders' requirements and wishes, social capital costs, external financing environment and other factors, and fully considering and listening to the requirements and wishes of shareholders, especially minority shareholders, to establish a sustainable, stable and scientific returns planning and mechanism for investors, thus making institutional arrangements for dividend distribution to ensure the continuity and stability of dividend distribution policies.

(II) Formulation Principles of this Planning

The formulation of this Planning should fully consider and listen to the opinions of independent directors, supervisors and public shareholders on the premise of complying with relevant laws and regulations and relevant profit distribution provisions in the *Articles of Association*. According to the actual business development and capital demand, full attention should be paid to the reasonable return on investment for public shareholders, while taking into account the short-term interests and long-term development of the Company, the overall interests of all shareholders and the sustainable development of the Company.

(III) Specific shareholders' returns planning in the next three years (2024 - 2026)

1. Profit distribution principle

The Company's profit distribution policy maintains continuity and stability while considering the Company's long-term interests, the overall interests of all shareholders and the Company's sustainable development; In order to ensure the long-term basic returns of investors, the Company insists on paying dividends at least once a year on the basis of careful consideration of dividend levels over the years, capital expenditure plan of the current year, return on net assets, the average stock price level of the current period and other factors.

2. Profit distribution form

The dividends may be distributed by the Company by way of cash, stocks or a combination of both. If conditions permit, the Company can make medium-term profit distribution.

3. Proportion of cash dividends

The accumulated profit distributed by the Company in cash in recent three years shall not be less than 30% of the average annual distributable profit realized in the recent three years, and the profit to be distributed by the Company in cash in 2024-2026 shall not be less than 55% of the distributable profit in the consolidated statement in that year in principle.

4. Specific conditions for issuing stock dividends

When the Company is operating well, and the Board of Directors believes that the price of the Company's stock does not match the size of the Company's share capital and that the distribution of stock dividends is beneficial to the overall interests of all shareholders of the Company, a stock dividend distribution scheme may be put forward under the condition of meeting the above cash dividend distribution.

5. Implementation of the Company's profit distribution scheme

After a resolution with respect to profit distribution scheme is passed at the general meeting of shareholders of the Company, the Board of Directors shall complete such distribution of dividends (or shares) within 2 months upon adoption of such resolution.

IV. Decision-making Mechanism of Shareholders' Returns Planning in the Next Three Years

1. When the Company distributes profits, the Board of Directors of the Company shall first formulate the distribution scheme, and then submit it to the general meeting of shareholders of the Company for deliberation.

2. When the Company prepares the cash dividend scheme, the Board of Directors shall carefully study and demonstrate the opportunity, conditions, minimum proportion, conditions of adjustment and decision-making procedure requirements of cash dividends. If independent directors believe that the specific scheme for cash dividends may harm the rights and interests of the Company or minority shareholders, they have the right to express independent opinions. If the Board of Directors has not adopted or fully adopted

the opinions of independent directors, the opinions of independent directors and the specific reasons for not adopting them shall be recorded in the resolution of the Board of Directors and disclosed.

3. Before the deliberation of cash dividend scheme by the General Meeting of Shareholders, the Company shall actively communicate with the shareholders (especially small and medium shareholders) through various channels, fully take the advice and demands of small and medium shareholders and answer the questions raised by small and medium shareholders in a timely manner.

4. The Company shall disclose the preparation and execution of cash dividend policy in annual report in detail.

5. The Company shall strictly implement the cash dividend policy determined according to the Articles of Association and the cash dividends scheme reviewed by the General Meeting of Shareholders. In case of force majeure or the change of external operating environment seriously influencing the Company's production and management, or major change of the Company's operation state, the Company may adjust the profit distribution policy. The adjustment of profit distribution policies by the Company shall meet the conditions stipulated in the Articles of Association. After a detailed demonstration, the corresponding decision-making procedures shall be performed and approved by more than two-thirds of the voting rights held by shareholders attending the General Meeting of Shareholders.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024

Annex VII

Report of SDIC Power Holdings Co., Ltd. on the Use of the Previously-raised Funds as of June 30, 2024

In accordance with relevant provisions of the *Guidelines for the Application of Regulatory Rules - Offering No. 7* issued by the China Securities Regulatory Commission, the Company hereby reports the use of the previously-raised funds as of June 30, 2024 as follows:

I. Basic Information of the Previously-raised Funds

(I) Basic information

1. Overseas public offering of GDRs

In the *Reply on Approving the Offering and Listing by SDIC Power Holdings Co., Ltd. of Global Depositary Receipts (GDRs) at London Stock Exchange* issued by the China Securities Regulatory Commission on October 29, 2019 (ZJXK (2019) No. 2003), the China Securities Regulatory Commission approved the Company to offer up to 67,860,233 global depository receipts (GDRs), and at the conversion ratio determined by the Company, up to 678,602,334 underlying A shares would be added accordingly. The registration documents for the issuance and listing were approved by the Financial Conduct Authority on October 29, 2019 (London time). The Company offered 16,350,000 GDRs at the issue price of USD 12.27 per GDR in the initial offering and raised USD 200.6 million; and by exercising the over-allotment option, the Company over-allotted 1,635,000 GDRs and raised USD 20.06 million. Therefore, the total funds raised were USD 220.68 million. The GDRs issued in the offering and the allotment represent 179,850,000 underlying A shares (including those represented by the GDRs over-allotted by exercising the over-allotment option). Net of certain undertaking costs, the funds raised and received by the Company was about USD 218.16 million, including USD 198,327,486.70 received from the initial offering dated October 22, 2020 and USD 19,832,741.00 received from the over-allotment dated November 19, 2020. The Company intends to use the net proceeds from the offering and the allotment as follows: 1. about 70% of the net proceeds will be applied for the Company's overseas renewable energy projects, including its Inch Cape offshore wind power project, and for selective acquisition of overseas renewable energy projects; and 2. about 30% of the net proceeds will be applied to repay the Company's overseas debts.

2. Domestic private placement

In the *Reply on Approving the Private Offering by SDIC Power Holdings Co., Ltd.* issued by the China Securities Regulatory Commission on October 29, 2021 (ZJXX (2021) No. 3410), the China Securities Regulatory Commission approved the Company to privately offer 488,306,450 RMB ordinary shares at the issue price of RMB 7.44 per share and raise RMB 3,632,999,988.00 in total. Net of relevant placement costs (including taxes) amounting to RMB 3,154,806.44, the funds raised actually by the Company would be RMB 3,629,845,181.56. The raised funds were fully paid on November 26, 2021 and deposited into the special account for raised funds opened by the Company with the Operation Division of China Merchants Bank Co., Ltd. Beijing Branch. In this regard, after the verification by BDO China Shu Lun Pan CPAs (Special General Partnership), the *Capital Verification Report* (XKSBZ [2021] No. ZG11946) was issued.

(II) Depositing of previously-raised funds in the special account

1. Overseas public offering of GDRs

Subject to applicable laws and regulations, according to the Company's procedures concerning management of raised funds, the Company opened a special account for raised funds. As of November 19, 2020, the depositing of previously-raised funds was as follows:

Name of bank with which raised funds are deposited	Bank account number	Date of receiving	Amount received (USD)	Mode of deposit
ICBC New York Branch	6115000100000039247	October 22, 2020	198,327,486.70	Current
ICBC New York Branch	6115000100000039247	November 19, 2020	19,832,741.00	Current
Total			218,160,227.70	

As of June 30, 2024, the balance of the special account for raised funds was as follows:

Name of bank with which raised funds are deposited	Bank account number	Date	Account balance (USD)	Mode of deposit
ICBC New York Branch	6115000100000039247	June 30, 2024	3,417,179.15	Current
Industrial and Commercial Bank of	0200096829000071739	June 30, 2024	2,331,450.84	Current

China Co., Ltd. S. LISHI Rd Subbranch in Beijing				
Total			5,748,629.99	

Note: According to the SAFE requirements on overseas listing, the Company opened a general policy-restricted account (A/C No. 0200096829000071739) with Industrial and Commercial Bank of China Co., Ltd. S. LISHI Rd Subbranch in Beijing. On March 3, 2021, the Company transferred a part of the raised funds, i.e. USD 0.2 billion, to the above account. As of June 30, 2024, the special account for raised funds was not canceled.

2. Domestic private placement

Subject to applicable laws and regulations, according to the Company's procedures concerning management of raised funds, the Company opened a special account for raised funds. As of November 26, 2021, the depositing of previously-raised funds was as follows:

Name of bank with which raised funds are deposited	Bank account number	Date of receiving	Amount received (RMB)	Mode of deposit
China Merchants Bank Beijing Branch	110902090910229	November 26, 2021	3,631,183,488.01	Current
Total			3,631,183,488.01	

As of July 20, 2023, the balance of the special account for raised funds was as follows:

Name of bank with which raised funds are deposited	Bank account number	Date	Account balance (RMB)	Remarks
China Merchants Bank Beijing Branch	110902090910229 [Note]	July 20, 2023	0.00	Clearing the account to zero
Total			0.00	

Note: Considering that the account might be used in the future, the above-mentioned special account for raised funds was not cancelled. As of June 30, 2024, the Company converted the special account for raised funds into a general account and completed relevant procedures. The matter was announced on July 26, 2023.

II. Actual Use of the Previously-raised Funds

(I) Comparative table on the use of the previously-raised funds

Please see Schedule 1 - Overseas Public Offering of GDRs for the comparative table on the use of the previously-raised funds.

Please see Schedule 1 - Domestic Private Placement for the comparative table on the use of the previously-raised funds.

(II) Changes in actual investment projects of previously-raised funds

As of June 30, 2024, there was no change in actual investment projects of previously-raised funds.

(III) Outward transfer or replacement for projects invested with previously-raised funds

1. Overseas public offering of GDRs

As of June 30, 2024, neither outward transfer nor replacement was observed on overseas public offering of GDRs.

2. Domestic private placement

According to the *Tentative Plan for Private Offering of A Shares by SDIC Power Holdings Co., Ltd.*, the projects invested with funds raised from this private offering of A shares are as follows:

No.	Project name	Total project investment (RMB 100 million)	Raised funds to be used (RMB 100 million)
1	Lianghekou Hydropower Station	664.57	18.00
2	Replenish working capital	-	18.33
Total		-	36.33

In order to ensure the proper progress in implementing the projects, before the raised funds were duly paid, according to the actual development needs and the implementation progress of the projects, SDIC Power would use its own capital to make early investment; and after the raised funds were duly paid, a part thereof would be used to replace the capital invested early. From July 19, 2021 to November 25, 2021, the actual amount of the Company's self-raised funds invested in investment projects totaled RMB 1.04 billion, of which the proposed replacement amount totaled RMB 1.04 billion.

BDO China Shu Lun Pan CPAs (Special General Partnership) conducted special verification on the above matter, and issued the *Special Verification Report on the*

Replacement of Raised Funds of SDIC Power Holdings Co., Ltd. (XKSBZ [2021] No. ZG11948). On December 3, 2021, the 36th meeting of the 11th Board of Directors and the 15th meeting of the 11th Supervisory Committee respectively reviewed and approved the *Proposal on the Replacement of Self-raised Funds Pre-invested in Projects Invested with Raised Funds*, agreeing that the Company would replace RMB 1.04 billion self-raised funds pre-invested in the projects invested with raised funds.

(IV) Use of temporarily idle raised funds

As of June 30, 2024, there was no temporary use of idle raised funds for other purposes.

(V) Non-exhaustion of previously-raised funds

1. Overseas public offering of GDRs

As of June 30, 2024, the raised funds were not exhausted, and the unused portion was USD 5,748,629.99 and accounted for 2.64% of the total previously-raised funds. The remaining raised funds would be used for the Company's overseas renewable energy business.

2. Domestic private placement

As of June 30, 2024, all the raised funds were exhausted, and there was no case that the raised funds were not used up.

III. Economic Benefits from Projects Invested with Previously-raised Funds

(I) Comparative table on the realized benefits from projects invested with previously-raised funds

Please see Schedule 2 - Overseas Public Offering of GDRs for the comparative table on the realized benefits from projects invested with previously-raised funds.

Please see Schedule 2 - Domestic Private Placement for the comparative table on the realized benefits from projects invested with previously-raised funds.

(II) Reason and situation of the failure to separately calculate the benefits from projects invested with previously-raised funds

1. Overseas public offering of GDRs

70% of the previously-raised funds were applied for the development of overseas renewable energy projects. As the overseas renewable energy projects are still in progress,

it is impossible to separately calculate the benefits. The development of the overseas renewable energy projects is conducive to expanding the Company's overseas market and further enhancing its profitability.

30% of the previously-raised funds were applied to repay the Company's overseas debts, and this part of the previously raised funds will not directly generate benefits, so it is impossible to calculate the benefits separately. By repaying debts, the Company can optimize its financial structure, its financial expenses can be reduced, and its solvency can be improved.

2. Domestic private placement

In projects invested with funds raised by domestic private placement, the replenishment of working capital will not directly generate benefits, so it is impossible to calculate the benefits separately.

(III) Difference between realized income and committed income from projects invested with previously-raised funds

1. Overseas public offering of GDRs

The benefits from projects invested with previously-raised funds of the Company are not calculated separately, and no income commitment is made, so it is impossible to separately calculate the difference between realized income and committed income from projects invested with previously-raised funds.

2. Domestic private placement

No income commitment is made in the Lianghekou Hydropower Station project, so it is impossible to separately calculate the difference between realized income and committed income from projects invested with previously-raised funds.

Separate income calculation is not applicable to the replenishment of working capital project, so it is impossible to separately calculate the difference between realized income and committed income from projects invested with previously-raised funds.

IV. Operation of the Assets of Previously-raised Funds Used to Subscribe for Shares

As of June 30, 2024, there were no assets subject to the previous offering and used to subscribe for shares.

V. Approval of Reporting

The Report was approved by the Board of Directors for release on September 17, 2024.

- Schedules: 1. Comparative table on the use of the previously-raised funds
2. Comparative table on the realized benefits from projects invested with previously-raised funds

SDIC Power Holdings Co., Ltd.

September 17, 2024

Schedule 1 - Overseas public offering of GDRs

Comparative table on the use of the previously-raised funds

In USD 10,000

Total raised funds:			21,816.02			Total amount of aggregated used raised funds: 21,008.00				
Total amount of use-changed raised funds:			0			Total amount of used raised funds for the year:				
Proportion of use-changed raised funds:			0			2021:		21,008.00		
						2022:		0		
						2023:		0		
						First half of 2024:		0		
Investment project			Total investment amount of raised funds			Aggregated investment amount of raised funds as of the reference date				Date when the project reaches the expected status for use
No.	Committed investment project	Actual investment project	Committed investment amount before fund-raising	Committed investment amount after fund-raising	Actual investment amount	Committed investment amount before fund-raising	Committed investment amount after fund-raising	Actual investment amount	Difference between actual investment amount and committed investment amount after fund-raising	
1	Development of overseas renewable energy projects	Development of overseas renewable energy projects	15,516.02	15,516.02	14,708.00	15,516.02	15,516.02	14,708.00	-808.02	N/A
2	Repayment of overseas loans	Repayment of overseas loans	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00	-	N/A

Schedule 1 - Domestic private placement

Comparative table on the use of the previously-raised funds

In RMB 10,000

Total raised funds:			362,984.52			Total amount of aggregated used raised funds: 364,254.90				
						Total amount of used raised funds for the year:				
Total amount of use-changed raised funds:			0			2021:		286,984.52		
Proportion of use-changed raised funds:			0			2022:		67,600.00		
						2023:		9,670.38		
						First half of 2024:		0		
Investment project			Total investment amount of raised funds			Aggregated investment amount of raised funds as of the reference date				Date when the project reaches the expected status for use
No.	Committed investment project	Actual investment project	Committed investment amount before fund-raising	Committed investment amount after fund-raising	Actual investment amount	Committed investment amount before fund-raising	Committed investment amount after fund-raising	Actual investment amount	Difference between actual investment amount and committed investment amount after fund-raising	
1	Yalong River Lianghekou Hydropower Station	Yalong River Lianghekou Hydropower Station	180,000.00	180,000.00	181,200.00	180,000.00	180,000.00	181,200.00	1,200.00 [Note 1]	It reached the expected status for use on March 18, 2022
2	Replenish working capital	Replenish working capital	183,300.00	183,300.00	183,054.90	183,300.00	183,300.00	183,054.90	-245.10 [Note 2]	N/A

Note 1: The difference between actual investment amount and committed investment amount after fund-raising refers to the interest income from special account for raised funds.

Note 2: The difference between actual investment amount and committed investment amount after fund-raising refers to offering costs and interest income from special account for raised funds.

Schedule 2 - Overseas public offering of GDRs

Comparative table on the realized benefits from projects invested with previously-raised funds

In USD 10,000

Actual investment project		Cumulative capacity utilization rate of investment projects as of the reference date	Committed benefits	Actual benefits for the latest three years				Accumulated realized benefits as of the reference date	Reach the expected benefits or not
No.	Project name			2021	2022	2023	January-June 2024		
1	Development of overseas renewable energy projects	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Repayment of overseas loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule 2 - Domestic private placement

Comparative table on the realized benefits from projects invested with previously-raised funds

In RMB 10,000

Actual investment project		Cumulative capacity utilization rate of investment projects as of the reference date	Committed benefits	Actual benefits for the latest three years [note]				Accumulated realized benefits as of the reference date	Reach the expected benefits or not
No.	Project name			2021	2022	2023	January-June 2024		
1	Yalong River Lianghekou Hydropower Station	N/A	N/A	50,571.49	190,988.78	289,150.49	168,211.00	698,921.76	N/A
2	Replenish working capital	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: The actual benefits shall refer to the main business income from Yalong River Lianghekou Hydropower Station.

Annex VIII

SDIC Power Holdings Co., Ltd.

Announcement on Introducing National Council for Social Security Fund of The People's Republic of China as A Strategic Investor and Signing Conditional Strategic Cooperation Agreement

At the 33rd Meeting of the Twelfth Board of Directors held on September 17, 2024, SDIC Power Holdings Co., Ltd. (the "Company" or "SDIC Power") deliberated and passed, among others, the *Proposal on the Company's Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*, the *Proposal on Introducing Strategic Investors into the Company and Signing the Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People's Republic of China*, and the Company intends to issue 550,314,465 A Shares to the National Council for Social Security Fund of The People's Republic of China ("NCSSF") at the issue price of RMB 12.72 per share to raise up to RMB 7 billion ("the Issuance"). On the same day, the Company and the NCSSF signed the *Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People's Republic of China*.

Unless otherwise specified herein, relevant terms have the same meanings as those set forth in the *Tentative Plan of SDIC Power Holdings Co., Ltd. for Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024*.

The details are as follows:

I. Purpose and Rationality of Introducing the Strategic Investor

Through the Issuance, the Listed Company shall introduce the NCSSF as a strategic investor and give full play to its advantages and role of long-term fund and patient capital, which shall play a leading and exemplary role in improving the inherent stability of the capital market and boosting investor confidence. At the same time, the funds raised this

time shall be used entirely for the investment, development, construction and operation of clean energy projects, which is a specific and active response to the national "dual carbon" goals. It is of great significance to alleviate the listed company's capital shortage at the present stage and promote the rapid development of its main business.

(I) Background of the Issuance

1. The State Council actively promotes the entry of medium- and long-term funds into the market to improve the internal stability of the capital market

(1) The introduction of medium- and long-term fund is of great significance to improving the quality of listed companies

The capital market plays an important role in financial operations, and listed companies are the cornerstone of the capital market. In October 2020, the State Council issued the *Opinions on Further Improving the Quality of Listed Companies*, requiring listed companies to become better and stronger, and clearly proposing to "explore the establishment of a long-term assessment mechanism for institutional investors to attract more medium- and long-term funds into the market." In January 2024, the executive meeting of the State Council was held, emphasizing that enhancing the fundamental systems of the capital market, elevating the quality of the listed company, facilitating the influx of medium- and long-term capital, and intensifying regulatory oversight will be the key priorities in stabilizing the market and strengthening investor confidence.

In this context, CSRC, along with other relevant departments, has rolled out a suite of policies to provide guidance and incentives for medium- and long-term capital to enter the market. On September 10, 2023, the National Financial Regulatory Administration issued the *Notice on Optimizing Regulatory Standards for Solvency of Insurance Companies* to enhance the enthusiasm of insurance funds in allocating blue-chip stocks and technology stocks. On October 30, the Ministry of Finance issued the *Notice on Guiding Insurance Funds to Make Long-term and Sound Investment and Strengthening the Long-period Assessment of State-owned Commercial Insurance Companies* to guide and enhance the enthusiasm and stability of insurance fund equity investment. In November 2023, the CSRC stated that it would continue to strengthen departmental coordination, issue the *Action Plan for Investment Side Reform of Capital Market* as soon as possible, increase the introduction of medium- and long-term funds, improve the enthusiasm and stability of various medium- and long-term funds in participating in the

capital market, and promote the positive interaction between medium- and long-term funds such as social security fund, basic pension insurance fund, annuity fund and insurance fund and the capital market as a whole. On March 15, 2024, the CSRC issued the *Opinions on Strengthening the Supervision of Listed Companies (Trial)*, in which Article 16 clearly states that 'listed companies are encouraged to actively attract long-term institutional investors and facilitate their participation in corporate governance'. On April 12, 2024, the State Council issued *Several Opinions of the State Council on Strengthening Supervision and Risk Prevention to Promote High-quality Development of Capital Markets*, which clearly states: "vigorously promote the entry of medium- and long-term capital into the market, and continuously strengthen the force of long-term investment; establish a market ecosystem that fosters long-term investment, improve the basic systems compatible with long-term investment, and build a policy system that supports 'long-term capital for long-term investment'", and "improve the investment policies of the National Social Security Fund and the Basic Pension Insurance Fund."

(2) As a long-term fund investment institution, NCSSF can give full play to the advantages of long-term funds and patient capital.

The NCSSF promotes the establishment of a stable capital injection mechanism, explores and expands new sources of funds, and establishes an employment and replenishment mechanism. It adheres to and continuously enriches the concept of "long-term investment, value investment and responsibility investment", constantly improves the performance appraisal mechanism suitable for long-term investment, and gives full play to the advantages and role of funds under management as long-term funds and patient capital. In September 2022, NCSSF formulated and issued the *Guidelines on Industrial Investment of the National Council for Social Security Fund of The People's Republic of China*, which clarified the medium- and long-term development plan of industrial investment of NCSSF and further improved the management and operation system of industrial investment. In industrial investment management, NCSSF has actively given full play to the long-term capital advantage and market-leading role, so as to increase the long-term equity investment in strategic and primary fields, realize cross-cycle and long-term stable returns on investment, and promote the formation of more long-term and patient capital, and further to promote the healthy and stable operation of the capital market.

The listed company is mainly engaged in power generation and committed to clean and low-carbon development. The main business of the listed company is naturally consistent with the investment direction of NCSSF. The strategic collaboration between the Parties can leverage the long-term financial strength of the NCSSF, aiding the listed company in achieving steady and rapid growth in its core businesses and enhancing its core competitiveness.

2. The Company actively implements the clean energy development strategy under the leadership of "Dual Carbon" to further promote the clean process in the power industry

With increasingly severe problems such as extreme climate change, environmental pollution and structural shortage of energy resources, major economies around the world have further promoted energy mix adjustment, actively developed clean energy, put forward the goal of "carbon peaking and carbon neutrality", and taken controlling carbon emissions and developing a green economy as a major strategic direction for economic transformation and upgrading.

In September 2020, China set the goal of "carbon peaking and carbon neutrality" for the first time. In October 2021, the State Council issued the *Opinions of the State Council on Full, Accurate and Comprehensive implementation of the New Development Concept to Achieve Peak Carbon Dioxide Emissions and Carbon Neutrality*, making systematic planning and overall deployment for the "Dual Carbon" goal.

Under the guidance of the overall goal of "Dual Carbon", China's power industry is also making in-depth progress toward cleanliness. The National Development and Reform Commission, the National Energy Administration and other relevant authorities of the PRC have successively issued the *Modern Energy System Plan under the "14th Five-Year Plan"* and the *Renewable Energy Development Plan under the "14th Five-Year Plan"*, clearly stating: 1) in respect of hydropower, during the "14th Five-Year Plan" period, China will "develop hydropower business according to local conditions and strive to achieve about 380 million kW installed capacity of conventional hydropower in 2025"; and 2) in respect of renewable energy, by 2025, the total consumption of renewable energy is expected to reach about 1 billion tons of standard coal, accounting for about 18% of primary energy consumption; the annual power generation of renewable energy will reach about 3.3 trillion kWh, and the power generation of wind power and solar energy will

double; and the total electricity consumption of renewable energy and the responsibility weight of non-hydropower consumption in China will reach about 33% and 18% respectively, and the utilization rate will remain a reasonable level.

In recent years, the Company has actively responded to the "Dual Carbon" goals through many measures: In terms of thermal power business, the Company completed the integration and optimization of thermal power assets in 2019 to improve further the power generation efficiency of its thermal power projects, and actively carried out technological transformation to promote energy conservation and carbon reduction; In terms of hydropower, the Company continued to increase the development of hydropower projects in the Yalong River Basin and has continuously put into operation or built a number of new hydropower projects in recent years; In terms of new energy, the Company has gradually increased the installed capacity of new energy through independent development and asset acquisition. At present, the Company has become a comprehensive energy company that focuses on clean energy and combines hydro, thermal, wind and solar power, with the installed capacity of clean energy accounting for 68.53%.

In the future, the Company will continue to vigorously develop clean energy, further focus on the Yalong River Basin Water-Wind-Solar Hybrid Integrated Demonstration Base, carry out work focusing on hydro-wind-solar integrated clean energy demonstration base, new energy base projects, offshore wind power projects, etc., and vigorously promote the development of new energy projects. At the same time, the Company will promote the construction of clean and efficient thermal power such as combined heat and power generation and gas power generation, comprehensively promote low-carbon transformation, and continuously increase the proportion of clean energy.

3. The Company has experienced rapid business growth during the "14th Five-Year Plan" period, necessitating an urgent need for capital.

In recent years, various businesses of the Company have developed rapidly and achieved remarkable results. On the Yalong River, significant advancements have been achieved in the development of the hydro-wind-solar power integration bases in the Yalong River Basin, with notable breakthroughs in a number of clean energy projects. The Kela Phase I PV Project and Laba Mountain Wind Power Project were put into operation, and the construction of Yagen Cascade 1, Kala and Mengdigou Hydropower Station Projects, and Lianghekou Mixed Storage Project was promoted as planned. In

terms of new energy, the Company has increased its efforts to obtain high-quality resources and achieved new breakthroughs in key development fields and projects. It has completed the approval (filing) of a certain scale of new energy projects in Sichuan, Yunnan, Guangxi, Xinjiang, Tibet, Shaanxi, Hebei, Fujian, Shanxi, Hubei, Tianjin, Zhejiang and other regions, and reserved a large number of new energy development resources. In terms of thermal power, the development work was steadily promoted in accordance with the established strategy. The construction of the Zhoushan Gas Turbine Power Generation Project and Units 3 & 4 of Qinzhou Second Power was fully started, and the Meizhou Bay Phase III Thermal Power Project was approved.

According to the Company's strategic plan under the "14th Five-Year Plan", the Company's installed capacity of new energy will reach 17 million kW in 2025, and the holding installed capacity of clean energy will reach more than 72%. Up to now, the Company still has an installed capacity target of nearly 10 million kW of clean energy. In the next two years, the Company needs to continuously strengthen the development of hydropower resources in the middle reaches of Yalong River and greatly increase the holding installed capacity of new energy. The project construction task is challenging.

According to the investment plan, the Company's capital construction investment budget in 2024 is RMB 34.65 billion, which is mainly used for the development of clean energy projects such as hydropower and new energy projects, involving nearly 80 continued and new projects. By the end of the second quarter of 2024, the monetary fund balance of the Company's consolidated standard was RMB 13.156 billion, while that of the parent company was RMB 4.710 billion. Most of the monetary funds were the operating funds required for the daily production and operation of each power project company. At the same time, with the rapid development of various businesses of the Company, its capital needs are extremely urgent. The funds raised this time are invested in the Company's high-quality clean energy projects, which is of great significance for the Company to relieve the financial pressure on project construction, realize the "14th Five-Year Plan", implement the national "Dual Carbon" strategy, help the main business become stronger and better, and promote the action plan of SDIC for the "carbon peaking".

(II) Purpose of the Issuance

1. Leverage the strategic investor advantage of the NCSSF to promote the development of the Company's clean energy business

NCSSF has actively studied and extensively arranged investment in the fields of "carbon peaking and carbon neutrality", with a broad and deep understanding and market influence in the clean energy industry.

The Company is a comprehensive energy and power listed company mainly engaged in clean energy, combining hydro, thermal, wind and solar power. It vigorously develops the clean energy business dominated by hydropower. The proportion of clean energy is relatively high and steadily increasing. Through strategic cooperation, NCSSF can bring various collaborative resources such as clean energy project development, upstream and downstream cooperation of industrial chain and overall strategy of the company to the listed company, thus improving their competitiveness in the field of clean energy.

In addition, NCSSF intends to invest in SDIC Power as a strategic investor and is willing to hold shares of the Company for a long time. According to the development plan and return level of the Company's clean energy business, it will provide continuous capital support for the Company's clean energy business properly on the premise of meeting its own investment requirements. At the same time, NCSSF shall exercise relevant shareholders' rights such as voting rights and proposal rights in accordance with the law, conscientiously perform corresponding duties, nominate directors to effectively participate in corporate governance and improve the level of corporate governance. Through its professional post-investment management team, it can assist the Board of Directors and its special committees to make decisions, play an active role in corporate governance, maximize the interests of the Company and safeguard the rights and interests of all shareholders.

2. Relieve the current financial pressures on the listed company and foster the rapid development of its core business

In alignment with the Company's strategic planning outlined in the "14th Five-Year Plan," the Company is accelerating its trajectory of clean energy development, which entails substantial capital requirements. By the Issuance to the specific object, the Company will obtain funds for long-term development, support the construction of high-quality clean energy projects with great strategic significance, such as Mengdigou Hydropower Station and Kala Hydropower Station, and effectively alleviate its financial pressure.

The Company will further consolidate the foundation of sustainable development in terms of long-term strategy, business layout and financial capacity, seize market development opportunities, and create good conditions for the Company to achieve leapfrog development and enhance core competitiveness. Therefore, the Issuance is a positive measure for the Company to enhance its operational capability and improve its sustainable development capability. It conforms to the national industrial policy and the Company's own development strategy, will improve the overall competitiveness of the Company, and is in line with the long-term interests of shareholders of the Company.

II. Basic Information of the Strategic Investor

(I) Basic information

Name: National Council for Social Security Fund of The People's Republic of China

Legal representative: Liu Wei

Unified Social Credit Code: 12100000717800822N

Address: South Suite, Fortune Times Building, No.11, Fenghuiyuan, Xicheng District, Beijing

Organization Type and Economic Nature: Public institution

Initial Capital: RMB 8 million

Duties and Responsibilities:

The NCSSF performs the following duties and responsibilities as a fund investor and operator:

- (1) Manage and operate the national social security fund;
- (2) Entrusted by the State Council, centrally hold and manage the transferred state-owned equity of central enterprises and other state-owned assets.
- (3) Approved by the State Council, be authorized to manage the investment and operation of the basic pension insurance fund.

(4) According to the scope and proportion approved by the State Council, directly invest in and operate, or select and entrust professional institutions to operate, the fund assets, regularly report the investment and operation to the relevant departments, submit financial and accounting reports, and accept supervision.

(5) Regularly announce the income and expenditure, management and investment operation of the fund to the public.

(6) Allocate funds according to the instructions issued by the relevant departments in the determined method.

(7) Other tasks.

(II) Equity control relationship

The NCSSF is a public institution managed by the Ministry of Finance.

(III) Main business

With the approval of the State Council, under the provisions of the Ministry of Finance and the Ministry of Human Resources and Social Security, NCSSF is entrusted to manage the national social security fund, the basic endowment insurance fund and a part of the transferred state-owned capital.

(IV) Financial brief

Unit: RMB 100 million

Item	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	28,835.21	30,196.50	29,226.67
Total liabilities	2,819.06	3,193.06	2,438.48
Total equity	26,016.15	27,003.44	26,788.19
Item	FY2022	FY2021	FY2020
Revenue	-1,236.93	1,271.11	4,148.20
Net profit	-1,380.90	1,129.98	3,786.68

Note: The table shows the financial data of the national social security fund, and the 2020-2022 data has been audited, and the 2023 data has not been published.

IV. Arrangements on Use of Raised Funds

The Issuance intends to raise up to RMB 7 billion, and all the net proceeds after deducting relevant issuance expenses will be used for the construction of clean energy projects. The details are as follows:

Unit: RMB 100 million

No.	Projects invested with raised funds	Proposed total investment	Amount of raised funds to be used
1	Mengdigou Hydropower Station Project	347.22	45.00
2	Kala Hydropower Station Project	171.21	25.00
Total		518.43	70.00

V. Main Contents of the Strategic Cooperation Agreement

On September 17, 2024, the Company and the NCSSF signed the *Conditional Strategic Cooperation Agreement*, the main contents of which are as follows:

(I) Parties and signing date

The Agreement is signed in Beijing PRC on September 17, 2024 by and between:

1. Party A (the Issuer): SDIC Power Holdings Co., Ltd.

Domicile: Room 1108, F/11, Building No. 147, Xizhimen Nanxiao Street, Xicheng District, Beijing

Legal representative: Guo Xuyuan

2. Party B (the Subscriber): National Council for Social Security Fund of The People's Republic of China

Domicile: South Suite, Fortune Times Building, No.11, Fenghuiyuan, Xicheng District, Beijing

Legal representative: Liu Wei

(II) Purpose of the strategic cooperation

On April 12, 2024, the State Council issued the *Several Opinions of the State Council on Strengthening Regulation, Preventing Risks and Promoting the High-Quality Development of the Capital Market* (GF [2024] No.10), and put forward relevant opinions to further promote the high-quality development of the capital market, including vigorously promoting the entry of medium- and long-term funds into the market, continuously expanding the power of long-term investment, establishing a market ecology for cultivating long-term investment, perfecting the basic system suitable for long-term investment, and improving the investment policies concerning national social security fund and basic pension insurance fund. In order to fully implement the State Council's decision and deployment, Party B issues shares to the specific object by participating in listed company.

Hydropower, wind power and solar power, as clean and renewable energy sources, are the backbone for ensuring national energy security and realizing the dual carbon strategy. As the core business of State Development & Investment Corp., Ltd. to implement the national dual carbon strategy, Party A gives full play to the direct financing functions of the capital market and introduce strategic investors to continuously meet the large-scale sustainable development needs of clean energy projects.

The Parties carry out all-round and multi-dimensional cooperation to help Party A improve corporate governance, profitability and market competitiveness, effectively protect shareholders' rights and interests, and promote the listed company to achieve high-quality and sustainable development.

(III) Advantages of the strategic investor and synergistic effect with the listed company

1. NCSSF's advantages

The NCSSF is a public institution managed by the Ministry of Finance. As a fund investor and operator, its main responsibilities include: managing and operating the National Social Security Fund; entrusted by the State Council, centrally holding and

managing the transferred state-owned equity of central enterprises; approved by the State Council, being authorized to manage the investment and operation of the basic pension insurance fund. As a strategic investor, the NCSSF has the following advantages:

(1) Rich strategic resources

By the end of 2022, the total assets of the National Social Security Fund were RMB 2.88 trillion, and the managed total assets of the basic pension insurance fund were RMB 1.85 trillion. The transfer from qualified central enterprises and central financial institutions was fully completed by the end of 2020, with RMB 1.68 trillion state-owned capital transferred in total. As the earliest and most important institutional investor in China, the NCSSF has achieved extensive coverage through investment in domestic and foreign markets and in primary and secondary markets, accumulated rich investment experience, achieved excellent investment performance, established a good image as a responsible institutional investor, held a large proportion of shares in listed companies, and enhanced the trust and reputation of listed companies. In investment practice, the NCSSF has established extensive and in-depth cooperative relations with major central enterprises, large financial institutions, industry-leading enterprises, and key scientific research institutes among others, and has the ability to connect various strategic resources according to the needs of listed companies, helping to enhance the core competitiveness, innovation ability and profitability of listed companies.

(2) Long-term and patient capital

The NCSSF promotes the establishment of a stable capital injection mechanism, explores and expands new sources of funds, and establishes an employment and replenishment mechanism. It adheres to and continuously enriches the concept of "long-term investment, value investment and responsibility investment", constantly improves the performance appraisal mechanism suitable for long-term investment, and gives full play to the advantages and role of funds under management as long-term funds and patient capital. In September 2022, NCSSF formulated and issued the *Guidelines on Industrial*

Investment of the National Council for Social Security Fund of The People's Republic of China, which clarified the medium- and long-term development plan of industrial investment of NCSSF and further improved the management and operation system of industrial investment. Industrial investment, as an important asset category of the NCSSF, is mainly characterized by obtaining medium-and long-term absolute benefits from industry growth and enterprise value enhancement by waiving liquidity appropriately. In industrial investment management, full play is given to the long-term capital advantage and market leading role, so as to increase the long-term equity investment in strategic and primary fields, realize cross-cycle and long-term stable returns on investment, and promote the formation of more long-term and patient capital, and further to promote the healthy and stable operation of the capital market.

(3) Active shareholder principle

The NCSSF practices sustainable investment principles and adheres to active shareholder principle by appointing directors to actively participate in the corporate governance of most investees. By the end of 2023, the NCSSF had sent 9 directors, covering 17 investees, including many listed companies. The directors and supervisors were appointed to closely follow the operation and industry trends of the investees, carefully consider the proposals on major issues of the investees, timely identify the problems and risks faced by the investees, and effectively fulfill its role as a "lookout" and "alarm". The NCSSF actively exercises shareholder rights, strictly reviewing proposals of the general meeting of shareholders from the perspective of maximizing shareholders' and the company's interests, and expresses its stance and positions at the general meeting of shareholders to enhance the regulatory effectiveness of the corporate governance and elevate the Company's governance level. At the same time, the NCSSF strengthens the management of investees by sending letters and communications, help solve problems, and prevent and control risks in time.

2. Cooperative effects between the Parties

The Parties intend to strengthen strategic cooperation in such manner as Party B subscribes for A shares to be issued to the specific object. The cooperative effects between the Parties include, without limitation:

(1) Party A is an electric power company focusing on clean energy, and the construction of clean energy projects needs large and long-term funds. Party B has strong financial strength and is willing to subscribe for and hold a large proportion of shares of Party A for a long time. At the same time, according to the development plan and return level of Party A's clean energy business, it will provide continuous capital support for Party A's clean energy business in an appropriate way on the premise of meeting its own investment requirements.

(2) As a listed company, Party A has sound, standardized and effective corporate governance. Party B has rich experience in participating in the corporate governance of investees, will exercise shareholder rights such as voting rights and proposing rights according to law, earnestly perform shareholder duties, and appoint one director to Party A to promote the optimization of Party A's governance structure and improve its governance level.

(3) Party A's main power business is hydropower, covering thermal power, wind power and solar power. The energy industry is the key investment field of Party B. Party B has a certain investment layout in the industry, and has a deep understanding of the current situation and future trends of the industry. It can connect relevant strategic resources according to Party A's needs and promote win-win cooperation.

(IV) Methods and areas of cooperation between the Parties

1. Party B subscribes to Party A's shares in the Issuance as a strategic investor and becomes one of Party A's important shareholders. The Parties agree to establish a regular communication mechanism at the working level every quarter and hold management meetings from time to time. Party A is willing to provide performance guarantees for the directors sent by Party B. The Parties agree to maintain virtuous communication in

governance vehicles such as the Board of Directors and general meeting of shareholders.

2. Based on its positioning as a strategic investor, Party B shall continue to pay attention to the development trend of the energy industry, and put forward reasonable and feasible opinions and suggestions to Party A on Party A's development strategy, progress of key project construction, capital operation planning, dividend level, etc., connect with relevant strategic resources according to Party A's needs, and explore the feasibility of the Parties' cooperation in external investment.

(V) Cooperation goals

Based on the principle of "long-term cooperation and common development", the Parties shall fully integrate their respective advantages by establishing and improving the strategic cooperation mechanism between them, and strive to seek long-term common strategic interests of coordination and complementarity between them. The specific cooperation goals include: I. Improve the corporate governance level, quality and intrinsic value of listed company, and promote the high-quality and sustainable development of listed company; II. urge listed company to maintain stable operating performance and reasonably high dividend level, and to ensure the investment safety, value preservation and value enhancement of Party B; and III. Increase the medium- and long-term capital supply in the capital market and promote the stable and healthy development of the capital market.

(VI) Term of Cooperation

The Parties agree that, unless they agree to terminate the Agreement in advance through negotiation otherwise, the cooperation period shall be from the date the Agreement takes effect to the date when Party B no longer holds the shares of Party A through the Issuance.

(VII) Strategic investors' proposed subscription of shares

Party B intends to subscribe for the shares issued by Party A to the specific object

this time. The specific number of shares, pricing basis and lock-up period shall be subject to the share subscription agreement finally signed by the Parties.

(VIII) Arrangements for participating in the governance of the listed company

Party B shall have the right to exercise relevant shareholder rights such as voting rights, proposal rights, and supervision rights in accordance with laws and regulations, the *Articles of Association* and relevant agreements of the Issuance, and actively participate in the corporate governance of Party A. Upon the completion of the Issuance (i.e., the shares issued this time are registered in the name of Party B at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited), Party B shall have the right to nominate one qualified non-independent director candidate to Party A. Party A shall, to its best effort, facilitate the approval of the director nomination proposal by Party A's Board of Directors and general meeting of shareholders. After being elected as a director of Party A through the necessary review procedures, the non-independent director candidate nominated by Party B shall participate in the decision-making of Party A's Board of Directors and play an active role in Party A's corporate governance.

(IX) Not seeking or cooperating with other parties to seek control of the listed company

Party B is committed that during the period of holding or controlling the shares of the listed company, Party B (including the entity controlled by Party B) shall not seek or support or cooperate with other parties to seek control of the listed company in any form, including but not limited to consensually challenging with other shareholders or potential shareholders of the listed company and their related parties and persons acting in concert through entrustment, solicitation of voting rights, agreement, joint action, signing of a concerted action agreement/entrustment voting agreement and any other means. It shall not assist or cooperate with any third party to substantially challenge the absolute control of the listed company's controlling shareholders over the listed company, including but not limited to the proportion of voting rights of the listed company controlled by any third

party reaching or exceeding 50% of the proportion of voting rights of the listed company controlled by the controlling shareholder of the listed company due to the active behavior of Party B. It shall not seek or assist other parties to seek the status of becoming the controlling shareholder or actual controller of the listed company by purchasing or accepting shares of the listed company in the secondary market directly or through the entity controlled by Party B. For the avoidance of doubt, as of the date of signing of the Agreement, Party B has no controlling entity.

Party B is further committed that it shall not use its shareholding position or influence to interfere with or affect the controlling shareholder's control over the listed company (including but not limited to the control over the Board of Directors) or affect the normal production and operation of the listed company.

(X) Future exit arrangements

Party B is committed that if it reduces its holdings in the future by means other than centralized bidding transactions in the secondary market, it shall ensure not to affect its performance of Article 8 of the Agreement, and shall not transfer to shareholders holding more than 5% of the shares of the listed company, their persons acting in concert and the related parties of such entities, other than the controlling shareholder of the listed company.

(XI) Establishment and effectiveness of the Agreement

The Agreement shall be established on the date when it is signed by the legal representatives or authorized representatives of the Parties and affixed with the official seals of the Parties, and shall take effect at the same time as the share subscription agreement.

(XII) Liability for breach

The Parties shall strictly abide by the provisions of the Agreement. Any violation of the provisions of the Agreement shall be deemed as a breach of contract, and the

breaching Party shall bear the liability for compensation for the losses and consequences caused by its breach of contract.

If any statement or warranty made by any Party in the Agreement is false or erroneous or contains major omissions, or such statement or warranty is not properly and timely performed, such Party shall be deemed to have breached the Agreement. Any Party's failure to perform any of its commitments or obligations under the Agreement shall also be deemed as such Party's breach of the Agreement. The breaching Party shall compensate and bear all losses, damages, expenses (including but not limited to reasonable attorney fees) and liabilities incurred or suffered by the non-breaching Party due to such breach.

(XIII) Modification, alteration and termination of the Agreement

1. After the establishment of the Agreement, no Party shall cancel or terminate the performance of the Agreement without cause.

2. The Parties agree that the Agreement shall terminate from the date of any of the following circumstances without liability for breach of contract:

(1) The Parties have fully performed their obligations under the Agreement;

(2) Force majeure occurs during the performance of the Agreement and the Parties agree to terminate the Agreement;

(3) The share subscription agreement signed by the Parties for the Issuance is terminated or canceled;

(4) Other circumstances under which the Agreement shall be terminated in accordance with relevant laws and regulations.

3. Any changes or amendments to the Agreement shall be made in writing upon negotiation between the Parties, and such changes or amendments shall be an integral part of the Agreement.

4. Neither Party shall transfer part or all of its rights or obligations under the Agreement without the written consent of the Parties.

5. The Parties agree that if the Agreement is terminated or the cooperation period agreed in the Agreement expires, the confidentiality, liability for breach of contract, applicable law and dispute resolution clauses of the Agreement shall continue to be valid.

VI. Situations Involving Related-party Transactions

Before the Issuance, the NCSSF did not directly hold the Company's shares and had no affiliation with the Company; Upon the completion of the Issuance, the NCSSF is expected to hold more than 5% of the Company's shares. According to the relevant provisions of the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the NCSSF is a related party of the Company.

VII. Review Procedures

The relevant proposals for the Issuance were approved by the Company's Strategy Committee and Audit Committee, and were unanimously approved by the Company's Independent Directors' Special Meeting.

On September 17, 2024, the 33rd Meeting of the Twelfth Board of Directors of the Company reviewed and approved the *Proposal on the Company's Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024, the Proposal on Introducing Strategic Investors into the Company and Signing the Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People's Republic of China*, etc.

On September 17, 2024, the 17th Meeting of the Twelfth Supervisory Committee of the Company reviewed and approved the *Proposal on the Company's Plan for the Issuance of A Shares to the Specific Object - National Council for Social Security Fund of The People's Republic of China in 2024, the Proposal on Introducing Strategic*

Investors into the Company and Signing the Conditional Strategic Cooperation Agreement between SDIC Power Holdings Co., Ltd. and National Council for Social Security Fund of The People's Republic of China, etc.

The Issuance and the introduction of strategic investors are subject to the approvals of the competent state-owned assets administration or its authorized agency, the Company's general meeting of shareholders, and the Shanghai Stock Exchange, as well as the CSRC's decision of consent to registration before implementation. Investors are requested to pay attention to investment risks.

The Announcement is hereby issued.

Board of Directors of SDIC Power Holdings Co., Ltd.

September 17, 2024