



China Yangtze Power Co., Ltd.

Additional shares listing Report of Purchasing
Assets and Raising Counterpart Funds by Issuing
Shares and Paying Cash, as well as the Related Party
Transaction

Independent Financial Advisors



中信证券股份有限公司
CITIC Securities Company Limited



华泰联合证券有限责任公司
HUATAI UNITED SECURITIES CO.,LTD.

Signing Date: April 2023

Declaration of the Company

The Company and all the directors, supervisors and senior management of the Company warrant that the contents of this Plan and its summary are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and accept corresponding responsibilities for the truthfulness, accuracy and completeness of the information provided.

In the event that this Transaction is filed for investigation by judiciary organs or CSRC due to any suspected false representation or misleading statement in, or material omission from, the information provided or disclosed, all directors, supervisors and senior management of the Company shall suspend the transfer of their shares (if any) in the Listed Company until any such investigation is concluded.

Matters referred to in this Plan do not represent any substantive judgement, confirmation or approval from CSRC and SSE regarding the matters related to this Transaction.

According to the PRC Securities Law and other relevant laws and regulations, upon the completion of this Transaction, the Company shall be responsible for any changes in its operation and revenue, while the investment risks caused by such changes shall be borne by investors. In evaluating this Transaction of the Company, investors shall take into serious consideration the risk factors disclosed in this Plan, in addition to the contents of this Plan and the relevant documents disclosed together with this Plan. Investors are advised to consult their stockbrokers, lawyers, accountants or other professional consultants if in doubt.

Notice of this Transaction

I. The offering price of shares issued by the Company is 20.01 yuan/share;

II. The number of shares issued by the Company this time is 804,436,061;

III. The registration of the additional shares issued for the purchase of assets was completed on 24 April 2023 at the Shanghai Branch of China Securities Depository and Clearing Corporation.

IV. The additional shares are limited shares with conditions. The additional shares issued during this period will be listed and traded on the Shanghai Stock Exchange one trading day after the restricted period expires. The restricted period will begin on the date of share issuance.

V. The total number and distribution of the Company's shares after this issuance is meet the stock listing conditions stipulated by laws including the Company Law, the Securities Law, the Stock Listing Rules.

Definitions

In this Plan, unless otherwise stated, the following expressions have the following meanings:

The report	Additional shares listing Report of Purchasing Assets and Raising Counterpart Funds by Issuing Shares and Paying Cash, as well as the Related Party Transaction
Transaction/Restructuring	the purchase of a total of 100% equity interests in Yunchuan Co. by CYPC from CTG, Yunnan Energy Investment and Sichuan Energy Investment by way of issuance of shares and payment of cash, and its non-public issuance of shares to raise counterpart funds
Material Asset Purchase Agreement	The Material Asset Purchase Agreement among China Three Gorges Corporation, Yangtze Three Gorges Investment Management Co., Ltd., Yunnan Provincial Energy Investment Group Co., Ltd., Sichuan Energy Investment Group Co., Ltd. and China Yangtze Power Co., Ltd.
Additional Agreement of Material Asset Purchase Agreement	The Additional Agreement of Material Asset Purchase Agreement among China Three Gorges Corporation, Yangtze Three Gorges Investment Management Co., Ltd., Yunnan Provincial Energy Investment Group Co., Ltd., Sichuan Energy Investment Group Co., Ltd. and China Yangtze Power Co., Ltd.
Issuance and Underwriting Plan	Issuance of Shares and Payment of Cash by China Yangtze Power Co., Ltd to Purchase Assets and Raise Supporting Funds and Related Party Transactions to Specific Objects Issuance and Underwriting Plan
CYPC/Listed Company/Company	China Yangtze Power Co., Ltd.
Yunchuan Co./Target Company	Three Gorges Jinsha River Yunchuan Hydropower Development Co., Ltd.
Subject of the Transaction/Target Assets	100.00% equity interests of Yunchuan Co.
Restructuring Counterparties	CTG, Three Gorges Investment, Yunnan Energy Investment and Sichuan Energy Investment
CTG	China Three Gorges Corporation
Three Gorges Investment	Yangtze Three Gorges Investment Management Co., Ltd.
Yunnan Energy Investment/YEIG	Yunnan Provincial Energy Investment Group Co., Ltd.
Sichuan Energy Investment/SCEI	Sichuan Energy Investment Group Co., Ltd.
Independent Financial Advisors	CITIC Securities Company Limited and Huatai United Securities Co., Ltd.
CEA	China Enterprise Appraisals Co., Ltd.
Articles	The Articles of Association of China Yangtze Power Co., Ltd.
Company Law	The Company Law of the People's Republic of China
Securities Law	The Securities Law of the People's Republic of China

Administrative Measures for Material Asset Restructuring	The Administrative Measures for Material Asset Restructuring of Listed Companies
Administrative Measures for Issuance of Securities	The Administrative Measures for Issuance of Securities by Listed Companies
Stock Listing Rules	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange
State Council	China State Council
SASAC	The State-owned Assets Supervision and Administration Commission of the State Council
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
RMB	Renminbi
Price Determination Date/Pricing ex-date	31 January 2022
Transaction Date	After CSRC approve the material asset restructuring, the date that issuing target translated the target assets to the Company as well as the finished the commercial registration changes
Transition Period	From Pricing ex-date (excluding the Pricing ex-date) to Transaction Date (including the transaction date)

Note: In this plan, the total amount may differ from the direct sum of each item as a result of round off differences rather than data errors.

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Section I Overview of this Transaction

I. Overview of this transaction plan

(I). Purchasing Target Company by Issuing Shares and Paying Cash

The Listed Company intends to purchase 100% equity interests in Yunchuan Co. held in aggregate by CTG, Three Gorges Investment, Yunnan Energy Investment and Sichuan Energy Investment by way of issuance of shares payment of cash. Upon the completion of this Transaction, the Listed Company will hold 100% equity interests in Yunchuan Co.. The Listed Company determined that the issue price for issuing shares to purchase assets is RMB 18.27 per share, which is not less than 90% of one of the average trading prices of the shares of the Listed Company for the 20, 60 and 120 trading days prior to the Price Determination Date.

Since the 2021 Annual Profit Distribution Plan has been reviewed and adopted at the general meeting of the Listed Company on 25 May 2022. The Listed Company will implement ex-right and ex-dividend matters for the offering price of shares issued in the purchase of assets by issuing shares and paying cash. The offering price of shares issued in the purchase of assets by issuing shares after adjustment is 17.46 yuan/share. The final issue price has been approved by the CSRC.

According to the evaluation result issued by CEA and recorded by CSRC, As of the Pricing ex-date (1/31/2022), the appraised value of 100% equity of Yunchuan Co. is 80,483.8279 million yuan, based on the evaluation result, the final transaction amount of this transaction is determined to be 80,483.8279 million yuan.

The Company purchasing the consideration of the transaction by issuing shares and paying cash, details as follows:

Unit: 10,000 yuan

Issuing Targets	Proportion of the target company's equity	the consideration of the Transaction	price paid by Issuing Shares	price paid by paying cash
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CTG	40.00%	3,219,353.12	804,838.28	2,414,514.84
Three Gorges Investment	30.00%	2,414,514.84	-	2,414,514.84
Yunnan Energy Investment	15.00%	1,207,257.42	402,419.14	804,838.28
Sichuan Energy Investment	15.00%	1,207,257.42	402,419.14	804,838.28
Total	100.00%	8,048,382.79	1,609,676.56	6,438,706.23

(II). Raising Counterpart Funds

The Listed Company intends to raise counterpart funds from not more than 35 specific investors by way of non-public issuance of shares. The total amount of funds raised will no more than 1,609,676,56 yuan and not exceed 100% of the consideration of the Transaction settled by way of issuance of shares , and the number of issued shares will not exceed 30% of the total share capital of the Listed Company before the issuance.

The counterpart funds raised this time will all be used to pay the cash consideration for this transaction after deducting intermediary agency fees and other related issuance expenses.

This purchase of assets is not premised on the successful implementation of the raising of counterpart funds, and the success of the final raising of counterpart funds does not affect the implementation of this purchase of assets.

II. Specific Status of this issuance

(I). Purchasing Assets by Issuing Shares and Paying Cash

1. Type of shares, par value and place of listing

The type of shares to be issued in this Transaction is RMB-denominated ordinary A share, with a par value of RMB1.00 each, which is listed on SSE.

2. Price Determination Date, pricing principles and issue price

The Price Determination Date for the issuance of shares to purchase assets refers to the announcement date of the first board resolution of the Listed Company to consider matters related to the Transaction, which is the announcement date of resolution of the 30th meeting of the 5th session of the board of directors.

According to the relevant provisions of the Administrative Measures for Material Asset Restructuring: the price of shares issued by a listed company shall not be less than 90% of the market reference price, which refers to one of the average trading prices of the company's shares for 20, 60 or 120 trading days prior to the Price Determination Date. The formula for calculating the average trading price is: the average trading price of the company's shares for certain trading days prior to the Price Determination Date = the total trading value of the company's shares for certain trading days prior to the date of announcement of resolution ÷ the total trading volume of the company's shares for certain trading days prior to the date of announcement of resolution.

After calculation, the average transaction price of shares of the Listed Company for 20, 60 or 120 transaction days before the pricing ex-date the assets purchased by issuing shares are as follows:

Unit: Yuan/share

Market reference price	Average transaction price	90% of the average transaction price
20 transaction days before the pricing ex-date	20.30	18.27
60 transaction days before the pricing ex-date	20.74	18.67
120 transaction days before the pricing ex-date	20.30	18.27

After negotiation among the parties to this transaction, the offering price of the shares issued by the Listed Company for asset purchasing is determined as 18.27 yuan/share, which is not lower than 90% of one of the average transaction prices of the Listed Company's shares for 20, 60 or 120 transaction days before the base date for pricing.

During the period from the base date for pricing to the issue date of shares, if the Listed Company implements ex-right and ex-dividend matters such as dividend distribution, bonus issue, allotment of shares, and capitalization of surplus, the offering price will be adjusted accordingly. The specific adjustment methods for the offering price are as follows:

Assuming that the price of new shares before adjustment is P_0 , the number of bonus shares issued or shares after capitalization for every share is N , the number of new shares issued or shares allotted for every share is K , the price of new shares issued or shares allotted is A , the dividend per share is D , and the price of new shares after adjustment is P_1 (the adjusted value is rounded to two decimal places), then:

If the dividend distribution is implemented, then: $P_1 = P_0 - D$

If the bonus issue or capitalization is implemented, then: $P_1 = \frac{P_0}{(1 + N)}$

If the issuance of new shares or allotment of shares is implemented, then:

$$P_1 = \frac{P_0 + A \times K}{(1 + K)}$$

If the above three items are implemented simultaneously, then:

$$P_1 = \frac{P_0 - D + A \times K}{(1 + K + N)}$$

Since the 2021 Annual Profit Distribution Plan has been reviewed and adopted at the general meeting of the Listed Company on 25 May 2022. The Listed Company will implement ex-right and ex-dividend matters for the offering price of shares issued in the purchase of assets by issuing shares and paying cash. The offering price of shares issued in the purchase of assets by issuing shares after adjustment is 17.46 yuan/share. The final issue price has been approved by the CSRC.

3. Issuing Targets

The target of the issuance of shares for purchasing assets includes CTG, Yunnan Energy Investment and Sichuan Energy Investment.

4. Transaction amount and consideration payment method

The assets appraisal report issued by CEA and recorded by CSRC [CEA(2022)-6206], this evaluation adopts the asset-based method and the income method to evaluate the asset value of 100% equity of Yunchuan Co. As of the Pricing ex-date, the evaluate result of 100% equity of Yunchuan Co. is as follows:

Unit: 10,000 yuan

Target Assets	Face value	Assessed value	Impairment	Impairment rate	Evaluation method
	A	B	C=B-A	D=C/A	-
100% equity of Yunchuan Co.	5,681,869.37	8,048,382.79	2,366,513.43	41.65%	asset-based method
		7,987,743.09	2,305,873.73	40.58%	income method

The assets appraisal report conclude the evaluation result by asset-based method, and the appraised value of 100% equity of Yunchuan Co. is 80,483.8279 million yuan, based on the evaluation result, the final transaction amount of this transaction is determined to be 80,483.8279 million yuan.

The Company purchasing the consideration of the transaction by the combination of issuing shares and paying cash, details as follows:

Unit: 10,000 yuan

Issuing Targets	Proportion of the target company's equity	the consideration of the Transaction	price paid by Issuing Shares	price paid by paying cash
CTG	40.00%	3,219,353.12	804,838.28	2,414,514.84
Three Gorges Investment	30.00%	2,414,514.84	-	2,414,514.84
Yunnan Energy Investment	15.00%	1,207,257.42	402,419.14	804,838.28
Sichuan Energy Investment	15.00%	1,207,257.42	402,419.14	804,838.28
Total	100.00%	8,048,382.79	1,609,676.56	6,438,706.23

5. The number of shares issued

The Listed Company will issue 460,961,213 shares, 230,480,606 shares and 230,480,606 shares to CTG, YEIG and SCEI respectively, in partial payment of the

consideration for the Reorganization. The final number of shares to be issued will be subject to the final approval of the CSRC.

Counterparty	Payment by issuing shares (10,000 yuan)	Number of shares issued (shares)
CTG	804,838.28	460,961,213
YEIG	402,419.14	230,480,606
SCEI	402,419.14	230,480,606
Total	1,609,676.56	921,922,425

Note 1: The number of shares issued this time = Payment by issuing shares ÷ the adjusted offering price of 17.46 yuan/share and the effect of the profit distribution of the Listed Company for the year 2021 on the ex-rights and ex-dividend price of the issuance has been taken into account.

Note 2: The number of new shares acquired by the counterparties as calculated according to the above formula is rounded down to the nearest integer, and the part of less than one share is included in the capital surplus.

6. Lockup period of shares

The consideration shares acquired by CTG through this transaction shall not be transferred within 36 months from the date of the end of the issuance of shares, except those assigned as permitted by applicable laws and regulations. If the closing price of the Listed Company's shares for 20 consecutive transaction days is lower than the offering price within 6 months after the completion of this transaction, or if the closing price is lower than the offering price at the end of 6 months after the completion of this transaction, the lockup period of the consideration shares acquired by CTG through this transaction will be automatically extended by 6 months on the basis of the original lockup period.

The consideration shares acquired by YEIG and SCEI through this transaction shall not be transferred within 12 months from the date of the end of the issuance of shares, except those assigned as permitted by applicable laws and regulations.

During the share lockup period after the completion of this transaction, the consideration shares obtained by the counterparties and the shares increased due to the Listed Company's bonus issue, converting equity capital, and other reasons will also

be subject to the aforesaid share lockup arrangements. If the CSRC or Shanghai Stock Exchange had different opinions on the above-mentioned lockup period arrangement, this Company would adjust the above arrangement according to the CSRC's or Shanghai Stock Exchange's opinions thereon and have it executed.

7. Arrangements of transition period profit and loss

The profit or loss generated by the operation of the target assets during the transition period (from Pricing ex-date to Transaction Date from the evaluation base date (excluding the evaluation base date) to the delivery date (including the delivery date)) shall be receive or pay proportionally by CTG, Three Gorges Investment, Yunnan Energy Investment, and Sichuan Energy Investment according to their proportion of Yunchuan Company's equity.

8. Rollover Undistributed Profit Arrangement

The undistributed profits accumulated by the company before this issuance will be shared by the new and old shareholders of the listed company according to their shareholding proportion after this issuance, but the new shares acquired by CTG, Yunnan Energy Investment, and Sichuan Energy Investment through this asset purchase will not be entitled to the profits available for distribution by shareholders realized by the company during the transition period.

9. Resolution validity period

The company's resolution on this transaction was valid within 12 months from the date of deliberation and approval by the general meeting of shareholders. Since the company has obtained the approval documents of the China Securities Regulatory Commission for this transaction within this period, the validity period of the resolution is automatically extended to the completion date of this transaction.

10. Arrangement of impairment compensation for this transaction

The assets appraisal report issued by CEA and recorded by CSRC [CEA(2022)-6206], The assets appraisal report conclude the evaluation result by asset-based method, and the appraised value of 100% equity of Yunchuan Co. is RMB

80,483,827,900. Among them, the evaluation agency used the market method to evaluate Yunchuan Company's Kunming Three Gorges Mansion Phase I and Kunming Living Base Residence (hereinafter collectively referred to as "Kunming Real Estate"), and the total evaluation value was RMB 1,094,145,400. In order to further protect the interests of listed companies and investors, in accordance with the relevant provisions of the "Guidelines for the Applicability of Regulatory Rules - Listing Category No. 1", CTG has supplemented and issued the "CTG Commitment Letter on Relevant Asset Impairment Compensation Arrangements at the End of the Period", CTG The specific commitments on the arrangement of impairment compensation for this transaction are as follows:

“1. CTG defines the year when the transaction is completed and the next two fiscal years as the impairment compensation period.

Within 4 months after the end of each fiscal year during the impairment compensation period, CTG agrees to conduct an impairment test on Kunming Real Estate by an accounting firm that complies with the provisions of the Securities Law of the People's Republic of China and is qualified to engage in securities and futures-related business. If the end-of-period value of Kunming Real Estate in any fiscal year during the impairment compensation period is lower than its appraised value at the time of this transaction, for the difference (ie, the amount of impairment at the end of the period), CTG will follow the shareholding proportion of CTG and Three Gorges Investment together Yunchuan company's (70%) for compensation.

CTG will give priority to compensation with the shares the listed Company issued in this transaction, and the insufficient part will be compensated in cash. The compensation amount, compensation method and other matters shall comply with the relevant regulatory requirements of the CSRC's "Guidelines for the Application of Regulatory Rules - Listing Category No. 1". Specifically:

The number of shares to be compensated by the company in the current year =

(the end-of-year impairment of Kunming Real Estate in the current year \times 70%) / the price of the shares issued this time - the total number of shares compensated by the company during the impairment compensation period.

3. If the company needs to make share compensation to the listed company, after the shareholders' meeting of the listed company deliberated and passed the proposal on the corresponding annual compensation share repurchase and subsequent cancellation, CTG will cooperate with the listed company to complete the specific procedures for the targeted repurchase from CTG and the cancellation of the shares that should be compensated in the current period according to the time limit and repurchase price notified by the listed company. If CTG needs to make compensation in cash further, CTG will pay the required compensation in cash to the bank account designated by the listed company within the time limit notified by the listed company.

4. This commitment is effective and irrevocable from the date it is made. If CTG violates the above commitments and causes losses to the listed company or its investors, the company is willing to undertake the compensation responsibility for the listed company or its investors according to the law.”

The above-mentioned impairment compensation arrangement can effectively reduce the impact of the underlying CTG-related asset value fluctuation risk on listed companies, which is conducive to protecting the interests of listed companies and small and medium shareholders, and meets the relevant requirements of the "Guidelines for the Application of Regulatory Rules - Listing Category No. 1" .

(II) Raising Counterpart Funds

The Listed Company intends to raise counterpart funds from not more than 35 designated investors by way of non-public issuance of shares. The total amount of funds to be raised is expected to not exceed 16,096.7656 million yuan and 100% of the consideration of the transaction to be paid by way of issuance of shares in the Transaction. The number of shares to be issued shall not exceed 30% of the total share

capital of the Listed Company prior to the issuance.

The counterpart funds raised this time will all be used to pay the cash consideration for this transaction after deducting intermediary agency fees and other related issuance expenses. This purchase of assets is not premised on the successful implementation of the raising of counterpart funds, and the success of the final raising of counterpart funds does not affect the implementation of this purchase of assets.

If the raising of counterpart funds fails to be implemented or the amount of financing is lower than expected, the Company will solve it by self-raising funds. Before the raised counterpart funds arrive in the account, the listed company can choose an opportunity to use the self-raised funds according to the market situation and its own actual situation to use the above-mentioned raised counterpart funds in advance, and replace them after the raised funds arrive in the account.

In the event that the plan of the issue shares are not in line with the latest regulations of the securities regulatory authorities, the Company and the subscribers will adjust and implement the arrangement accordingly in accordance with the regulations of the relevant securities regulatory authorities.

1. Type of shares, par value and place of listing

The type of shares to be issued for raising counterpart funds by way of non-public issuance in this Transaction are RMB-denominated ordinary A shares, with a par value of RMB1.00 each, which will be listed on SSE.

2. Price Determination Date, pricing principles and issue price

The Price Determination Date for the proposed non-public issuance of shares to raise counterpart funds in the Transaction is set on the first day of the non-public issuance of shares. The issue price of shares of the proposed non-public issuance to raise counterpart funds in the Transaction shall not be less than 80% of the average trading price of the company's shares for the 20 trading days prior to the Price Determination Date. The final issue price will be determined by negotiation among

the board of directors of the Listed Company, with the authorization from the general meeting of shareholders, and the relevant parties, in accordance with the relevant laws, administrative regulations and regulatory documents and based on the status of subscription and quotation of the issuing targets, upon the Transaction has been approved by CSRC.

3. Issuing targets

The Listed Company intends to raise counterpart funds from not more than 35 designated investors by way of non-public issuance of shares.

4. Issue size and number to be issued

The total amount of counterpart funds to be raised is expected to not exceed 16,096.7656 million yuan and 100% of the consideration of the transaction consideration to be paid by way of issuance of shares in this Transaction. The number of shares to be issued shall not exceed 30% of the total share capital of the Listed Company prior to the issuance. The final number of shares to be issued for raising counterpart funds will be determined in accordance with the relevant provisions of the Administrative Measures for Issuance of Securities and the results of the inquiry upon obtaining approval by CSRC.

5. Arrangement for Lock-up period

The Listed Company intends to raise counterpart funds from not more than 35 designated investors by way of non-public issuance of shares. The shares subscribed by the designated investors shall not be transferred in any way within 6 months from the date of completion of the issuance. Upon the completion of the non-public issuance of shares to raise counterpart funds, the additional shares of the Listed Company acquired due to bonus issue or capitalization of capital reserve to which the subscribers of the counterpart funds are entitled in view of the Transaction shall also be subject to the above-mentioned lock-up arrangement. In the event that the provisions of the lock-up arrangement for the shares subscribed in this counterpart fund raising are not in line with the latest regulations of the securities regulatory

authorities, the Company and the subscribers will adjust and implement the arrangement accordingly in accordance with the regulations of the relevant securities regulatory authorities.

6. Rollover Undistributed Profit Arrangement

The undistributed profits accumulated by the company before this issuance will be shared by the new and old shareholders of the listed company according to their shareholding proportion after this issuance, but the new shares acquired by CTG, Yunnan Energy Investment, and Sichuan Energy Investment through this asset purchase will not be entitled to the profits available for distribution by shareholders realized by the company during the transition period.

III. The Transaction constitute a material asset restructuring

According to the financial data of the target assets and the evaluation and pricing situation, the comparison with the relevant financial data of listed companies in 2021 is as follows:

Unit: 10,000 yuan

Items	Target assets		The Company	proportion
	Financial data	Transaction amount		
Total assets	23,275,938.97	8,048,382.79	32,856,328.16	70.84%
Net assets	5,380,774.81		18,106,381.95	44.45%
operation revenue	1,273,411.60	/	5,564,625.40	22.88%

Note: According to the Reorganization Management Measures and other relevant regulations, the calculation indicators for the total assets and net assets of the target assets are the higher figure between the total assets and net assets(net assets attributable to the parent company) audited on 31 December 2021 and the transaction amount of the target assets of the acquisition.

The Transaction will meet the criteria for material asset restructuring as stipulated in the Administrative Measures for Material Asset Restructuring, thus constituting a material asset restructuring of the Listed Company.

IV. The Transaction does not constitute a reorganization and listing

During the 36 months prior to this Transaction, there has been no change in the

de facto controller of the Listed Company. Before and after this Transaction, the controlling shareholder of the Listed Company was CTG, and the de facto controller was SASHA for the last 36 months. Thus, this Transaction will not result in a change in the de facto controller of the Listed Company.

Pursuant to the relevant provisions of the Administrative Measures for Material Asset Restructuring, this Transaction does not constitute a reorganization and listing under Article 13 of the Administrative Measures for Material Asset Restructuring.

V. This Transaction constitutes a related party transaction

CTG, the counterparty of this Transaction, is the controlling shareholder of the Listed Company. Three Gorges Investment is a wholly-owned subsidiary of CTG, the controlling shareholder of the Listed Company. Zong Renhuai, used to be a director of the Company in last 12 month, is a member of senior management of Sichuan Energy Investment. According to the relevant provisions of the Stock Listing Rules, CTG, Three Gorges Investment, Sichuan Energy Investment are all related parties to the Listed Company. Therefore, this Transaction constitutes a related party transaction.

The related directors have abstained from voting on the resolutions related to this Transaction in the board meeting of the Listed Company. The related shareholders will also abstain from voting on the resolutions related to this Transaction in the general meeting.

Section II Implementation of this transaction

I. Authorization and approval procedures for implementation of this transaction

1. Decision-making and approval by the Company

On 10 December 2021, the 30th meeting of the Fifth Session of the Board of Directors of China Yangtze Power Co., Ltd. was held to consider and approve the *"Proposal and summary on protocols for the Issue of Shares and Payment of Cash to Purchase Assets and Raise Subscription Funds and Connected Transaction by China Yangtze Power Co., Ltd. "* and other proposals relating to the transaction.

On 30 June 2022, the Eighth Meeting of the Sixth Session of the Board of Directors of China Yangtze Power Co., Ltd. was held to consider and approve the *" Proposal and summary on the Report (draft) of the Issue of Shares and Payment of Cash to Purchase Assets and Raise Subscription Funds and Connected Transaction by China Yangtze Power Co., Ltd. "*, and other proposals relating to the transaction.

On 20 July 2022, the Second Extraordinary General Meeting of China Yangtze Power Co., Ltd. was held, at which *the monition of Issuing Shares and Paying Cash to Purchase Assets and Raise Subscription Funds and Connected Transaction* and other proposals relating to the transaction were considered and approved.

On 16 March 2023, the 15th meeting of the Sixth Session of the Board of Directors of China Yangtze Power Co., Ltd. was held to consider and approve the *"Proposal on the Authorization of the Company to Raise Subscription Funds through the Issuing Shares and other Connected Transaction* and other proposals related to the transaction.

2. Decision-making and Approval of Counterparty

China Three Gorges Corporation, China Three Gorges Investment Management Co., Ltd., Yunnan Provincial Energy Investment Group Co., Ltd., and Sichuan Energy Investment Group Co., Ltd. have completed their internal decision-making procedures

and agreed in principle to the relevant proposal for this transaction.

3. Appraisal filings and approvals from SASAC

On 22 June 2022, the State-owned Assets Supervision and Administration Commission of the State Council issued a *State-owned Assets Appraisal Project Filing Form* (filing number: 0006GZWB2022006), to record the evaluation results of the subject assets identified in the Appraisal Report.

On 19 July 2022, the State-owned Assets Supervision and Administration Commission of the State Council issued the *Approval on Matters Relating to the Asset Restructuring and Supporting Financing of China Yangtze Power Co., Ltd* (State-owned Assets Property Rights [2022] No. 328), which agreed in principle to the transaction.

4. Approval from CSRC

On 26 October 2022, the M&A and Restructuring Review Committee of Listed Companies of China Securities Regulatory Commission held the 16th M&A and Restructuring Committee Working Meeting in 2022 to review the issue of shares and payment of cash to purchase assets and raise matching funds and connected transactions of China Yangtze Power Co., Ltd. According to the results of the meeting, the transaction was unconditionally approved.

On 14 November 2022, China Yangtze Power Co., Ltd has received the *Reply on Approving the Application of China Yangtze Power Co., Ltd to Purchase Assets and Raise Supporting Funds from China Yangtze River Three Gorges Group Company Limited and Other subsidiaries* (CSRC Permit No. [2022] 2740), and the transaction has been approved by the CSRC.

II. Implementation of issuing shares and paying cash

1. Transfer of the underlying assets

On 10 January 2023, the Kunming Administration for Market Regulation of Panlong District issued a new Business License (Unified Social Credit

Code:915301030615619360) to the Target Company. According to the new Business License and other industrial and commercial change documents, on the date of this report, the Company has held 100% equity interest in the Yunchuan Company, and Yunchuan Company has become a wholly-owned subsidiary of CYPC.

2. Capital Verification

According to the Capital verification report of CYPC (DHHZ [2023] No. 000028) issued by Dahua CPA, after the completion of this transaction, 100.00% capital of the Target Company has been changed and registered under CYPC on 10 February 2023. The Company has received a total of RMB 16,096,765,600.00 in equity contributions from CTG, Sichuan Energy Investment, Yunnan Energy Investment, of which RMB 921,922,425.00 is included in "Share Capital". The changed of registered capital of the Listed Company is RMB 23,663,781,655 and the capital stock is RMB 23,663,781,655.

3. Cash payment

As of the disclosure date of this report, CTG, Three Gorges Investment, Yunnan Energy Investment and Sichuan Energy Investment have received cash payments of RMB 24,145,148,400, RMB 24,145,148,400, RMB 8,048,382,800 and RMB 8,048,382,800 respectively. All cash payment consideration for this transaction has been fully paid.

4. Distribution of transition period profit and loss

The profit or loss generated by the operation of the target assets during the transition period (from Pricing ex-date to Transaction Date from the evaluation base date (excluding the evaluation base date) to the delivery date (including the delivery date)) shall be receive or pay proportionally by CTG, Three Gorges Investment, Yunnan Energy Investment, and Sichuan Energy Investment according to their proportion of Yunchuan Company's equity.

5. Shares registration status

On 3 February 2023, the Shanghai Branch of China Securities Depository and Clearing Corporation issued the Certificate of Registration of Change of Securities, and the registration procedures for the additional shares issued by the Company for the purchase of assets were completed. The number of shares issued by the Company this time is 921,922,425 (shares with limited selling conditions in circulation), and the total number of the Company's shares after this issuance is 23,663,781,655.

III. The issuance of matching funds raised this time

I. Status of this issue

1. Type, par value and place of listing of shares to be issued

The shares offered in this transaction to specific targets for raising matching funds are RMB ordinary shares (A shares) listed domestically, with a face value of RMB 1.00 per share and listed on the Shanghai Stock Exchange.

2. Pricing base date, pricing principles and issue price

The shares offered to specific targets in this transaction were priced through a competitive bidding process, with the pricing date being the first day of the offering period, i.e., March 27, 2023. The offering price was set at no less than 80% of the average trading price of the company's shares for the 20 trading days prior to the pricing date (excluding the pricing date). Specifically, the average trading price for the 20 trading days prior to the pricing date was calculated as the total trading volume divided by the total trading value for the same period. If the company's shares underwent price adjustments due to dividend payments, bonus issues, capital reserve increases, or other corporate actions during the 20 trading days, the prices for the adjusted trading days were used for the calculation. Accordingly, the offering price was set at RMB 16.87 per share.

Beijing Zhong Lun Law Firm has witnessed the entire process of investor subscription invitations and bid submissions for this offering. The issuer and the joint lead underwriters, CITIC Securities Company Limited, Huatai United Securities Co., Ltd., China International Capital Corporation Limited and Changjiang Financing

Service Co., Limited (hereinafter collectively referred to as the "Joint Lead Underwriters"), determined the offering price of RMB 20.01 per share based on the investor bid submissions and in strict accordance with the procedures and rules set forth in the *Invitation to Subscribe to Shares by Specific Targets for Raising Matching Funds in the Issuance of Shares and Payment of Cash to Purchase Assets and Raising Matching Funds for Related Transactions by China Yangtze Power Co., Ltd.* (hereinafter referred to as the "Invitation Document"). The ratio of the offering price to the floor price was 118.61%.

3. Number and Scale of Issuance

According to the *Issuance and Underwriting Plan*, the number of shares to be issued to specific objects this time shall not exceed 954,165,121 shares and total shall not exceed 6,822,557,769 shares (including the above number). Within the above range, the board of directors of the company and its authorized personnel will determine the final issuance quantity in accordance with the authorization of the shareholders' meeting, based on the relevant provisions of the *Measures for the Administration of the Issuance and Underwriting of Securities*, the *Administrative Measures for the Registration of Securities Issued by Listed Companies*, and the *Implementation Rules for the Issuance and Underwriting Business of Securities of Listed Companies on the Shanghai Stock Exchange*, as well as the actual subscription situation and negotiation with the joint lead underwriters, and based on the approval document issued by the China Securities Regulatory Commission for this issuance.

According to the subscription situation of investors, the number of shares to be issued to specific objects this time is 804,436,061 shares, which does not exceed 30% of the total share capital of the listed company before the issuance; the issuance scale is 16,096,765,580.61 RMB, which does not exceed 100% of the transaction consideration to be paid in the form of share issuance. The number of shares issued complies with the relevant provisions of the resolutions of the board of directors and shareholders' meetings of the listed company, as well as the *Measures for the Administration of the Issuance and Underwriting of Securities*, the *Administrative*

Measures for the Registration of Securities Issued by Listed Companies, and the Implementation Rules for the Issuance and Underwriting Business of Securities of Listed Companies on the Shanghai Stock Exchange, meets the requirements of the *Approval for the Application for China Yangtze Power Co., Ltd. to Issue Shares to Purchase Assets and Raise Supporting Funds from China Three Gorges Corporation and Other Parties* (CSRC Approval [2022] No. 2740), and exceeds 70% of the proposed number of shares to be issued in the *Issuance and Underwriting Plan* for this issuance.

4. Issue target and subscription method

The final number of targets for the issuance was determined to be 19. The results are as follows:

Number	Issuing entity	Number of shares allocated (shares)	Allocated amount (RMB)
1	China Merchants Securities Co. Ltd	67,366,316	1,347,999,983.16
2	Guotai Junan Securities Co. Ltd	62,068,965	1,241,999,989.65
3	J.P. Morgan Securities plc	56,721,639	1,134,999,996.39
4	Goldman Sachs International	53,523,238	1,070,999,992.38
5	GIC Private Limited	51,624,187	1,032,999,981.87
6	China Life Asset Management Co., Ltd.	49,975,012	999,999,990.12
7	Ruiyuan Fund Management Co., Ltd.	49,975,012	999,999,990.12
8	China State-Owned Enterprise Restructuring Fund Co., Ltd. Phase II	49,975,012	999,999,990.12

Number	Issuing entity	Number of shares allocated (shares)	Allocated amount (RMB)
9	Zhejiang Energy Equity Investment Fund Management Co., Ltd. - Zhejiang Zheneng Green Energy Equity Investment Fund Partnership (Limited Partnership)	49,475,262	989,999,992.62
10	Gaoguan Investment Co., Ltd.	44,977,511	899,999,995.11
11	Shanghai Dingwei New Energy Private Equity Investment Fund Partnership (Limited Partnership)	39,980,009	799,999,980.09
12	Golden Eagle Asset Management Co., Ltd.	37,481,259	749,999,992.59
13	JP Morgan Chase Bank, National Association	34,382,808	687,999,988.08
14	Shenwan Hongyuan Securities Co., Ltd.	28,485,757	569,999,997.57
15	Caitong Fund Management Co., Ltd.	27,086,456	541,999,984.56
16	The Hongkong and Shanghai Banking Corporation Limited	25,875,350	517,765,753.50
17	China Re Asset Management Co., Ltd	25,487,256	509,999,992.56
18	Guangfa Securities Co., Ltd.	24,987,506	499,999,995.06
19	Huaneng Guicheng Trust Co., Ltd.	24,987,506	499,999,995.06

Number	Issuing entity	Number of shares allocated (shares)	Allocated amount (RMB)
	Total	804,436,061	16,096,765,580.61

5. Lock-up period arrangement

According to the relevant regulations of the CSRC, the shares subscribed by the subscribers in this offering may not be transferred in any form within 6 months from the end of the offering. After the completion of the offering and the subscription of the fundraising, the subscribers shall also comply with the above lock-up arrangement in relation to the bonus shares, shares from conversion of capital reserve and other shares related to the offering that they are entitled to.

II. Shares registration status

On 24 April 2023, the Shanghai Branch of China Securities Depository and Clearing Corporation issued the Certificate of Registration of Change of Securities, and the registration procedures for the additional shares issued by the Company for the purchase of assets were completed. The number of shares issued by the Company this time is 804,436,061 (shares with limited selling conditions in circulation), and the total number of the Company's shares after this issuance is 24,468,217,716.

IV. No difference between the actual situation and the previously disclosed information

As of the date of this report disclosed, the Company strictly followed the relevant regulations and performed legal procedures to disclose, the process strictly comply with the relevant requirements of the Company Law, the Securities Law, Stock Listing Rules. During the implementation of this transaction, there was no significant difference between the relevant actual situation and the previously disclosed information.

V. Adjustments of Directors, Supervisors, and Senior Management

On 16 December 2022, the Company held the 14th meeting of the sixth session of the board of directors, reviewed and approved the "Proposal on Appointing Mr. Liu Haibo as the company's deputy general manager", and the board of directors agreed to appoint Mr. Liu Haibo as the company's deputy general manager, independent directors have expressed independent opinions.

On 18 April 2023, the Company discloses the announcement that Mr. Jielin Guan will no longer be a director of the Company.

In addition to the above, from the time when the listed company obtained the approval documents of the CSRC on this transaction to the date of this report, there has been no change of directors, supervisors, and senior management personnel of the listed company due to this transaction.

VI. Whether violation occurred of regulations

As of the date of this report disclosed, in this transaction, there has been no non-operational occupation of the funds and assets of the listed company by the actual controller or other related parties, or the the Company has provided guarantees for the actual controller and its related parties in violation of regulations.

VII. Implementation of relevant agreements and commitments

(I) Agreements

On 10 December 2021, the company signed Material Asset Purchase Agreement with CTG, Three Gorges Investment, Yunnan Energy Investment, and Sichuan Energy Investment; On 30 June 2022, the company signed Additional Agreement of Material Asset Purchase Agreement with CTG, Three Gorges Investment, Yunnan Energy Investment, and Sichuan Energy Investment.

As of the date of this report disclosed, the Material Asset Purchase Agreement and and the Additional Agreement of Material Asset Purchase Agreement has are both

commences. The parties to the transaction are performing the content of the agreement in accordance with the stipulations of the effective agreement, and there is no violation of the agreement.

(II) Commitments

In this transaction, the parties involved in the transaction made relevant commitments to lock up shares, avoid horizontal competition, standardize and reduce related party transactions, and ensure the independence of listed companies, etc.

As of the date of this report disclosed, the above commitments are still in the process of fulfillment, the promise has not violated the above commitments, and the relevant promise will continue to fulfill the commitments.

VII. Risk of subsequent matters

As of the date of this report disclosed, subsequent matters related to this transaction are mainly as follows:

1. The parties to the transaction agree that an audit institution that complies with the provisions of the Securities Law and has the conditions for engaging in securities and futures-related businesses will audit the profit and loss of Yunchuan Co. during the transition period Within 30 working days after the 2022 feed-in price of Baihetan Hydropower Station is determined .

2. The Company still need to follow the approval of the CSRC, choose an opportunity to raise counterpart funds through non-public issuance of stocks according to the plan for raising counterpart funds within the validity period of the approval, and finish the procedures for new share registration and listing. The success of the final raising of counterpart funds does not affect the implementation of this purchase of assets.

3. The listed company still needs to amend the company's articles of association and go through the industrial and commercial change registration procedures for the

change of registered capital involved in this transaction.

4. All parties involved in this transaction still need to continue to perform the agreements and commitments involved in this reorganization.

5. The Company will still need to truthfully, accurately and completely follow disclosure obligations with the requirements of relevant regulations.

As of the date of this report disclosed, there is no major risk in the subsequent matters in the asset restructuring.

VIII. Verification opinions of the independent financial advisers and Legal adviser

(I) Independent financial advisers' verification opinion

CITIC Securities Co., Ltd., the independent financial advisors of the Transaction, considered that:

‘1. The implementation process of the Transaction has fulfilled the statutory decision-making, examination, and approval procedures, which follows the requirements of the Company Law, the Securities Law, the Measures for the Administration of Material Assets Reorganization and other relevant laws and regulations.

2. As of the date of this verification opinion, the industrial and commercial registration for the underlying assets transfer of this transaction have been completed. China Yangtze Power Co., Ltd. has directly held 100% equity interest in Yunchuan Company. The underlying assets transfer procedures are legal and effective.

3. As of the date of this verification opinion, the capital verification and registration procedures for the additional shares issued for the asset purchase of the transaction have been completed.

4. As of the date of this verification opinion, no material differences between the

relevant actual situations and the information previously disclosed have been identified during the implementation of the Transaction.

5. As of the date of this verification opinion, during the implementation of the Transaction, the Listed Company has appointed Mr. Liu Haibo as the deputy general manager. Besides that, there was no change in directors, supervisors, or senior management of the Listed Company.

6. As of the date of this verification opinion, during the implementation of the Transaction, there is no situation in which the funds and assets of the Listed Company are occupied by the actual controller or other related parties for non-operational purposes, nor is there any situation in which the Listed Company provides guarantees for its actual controller and related parties.

7. As of the date of this verification opinion, all the agreements signed and commitments made by parties to this transaction have been effectively performed or are being performed, and there has been no breach of the agreements or commitments.

8. There is no material legal impediment to the implementation of the subsequent matters of the Transaction provided that the relevant parties have fully performed their respective obligations in accordance with the relevant agreements signed and the relevant commitments made.’

Huatai United Securities Co., Ltd., the independent financial advisors of the Transaction, considered that:

‘1. The implementation process of the Transaction has fulfilled the statutory decision-making, examination, and approval procedures, which follows the requirements of the Company Law, the Securities Law, the Measures for the Administration of Material Assets Reorganization and other relevant laws and regulations.

2. As of the date of this verification opinion, the industrial and commercial

registration for the underlying assets transfer of this transaction have been completed. China Yangtze Power Co., Ltd. has directly held 100% equity interest in Yunchuan Company. The underlying assets transfer procedures are legal and effective.

3. As of the date of this verification opinion, the capital verification and registration procedures for the additional shares issued for the asset purchase of the transaction have been completed.

4. As of the date of this verification opinion, no material differences between the relevant actual situations and the information previously disclosed have been identified during the implementation of the Transaction.

5. As of the date of this verification opinion, during the implementation of the Transaction, the Listed Company has appointed Mr. Liu Haibo as the deputy general manager. Besides that, there was no change in directors, supervisors, or senior management of the Listed Company.

6. As of the date of this verification opinion, during the implementation of the Transaction, there is no situation in which the funds and assets of the Listed Company are occupied by the actual controller or other related parties for non-operational purposes, nor is there any situation in which the Listed Company provides guarantees for its actual controller and related parties.

7. As of the date of this verification opinion, all the agreements signed and commitments made by parties to this transaction have been effectively performed or are being performed, and there has been no breach of the agreements or commitments.

8. There is no material legal impediment to the implementation of the subsequent matters of the Transaction provided that the relevant parties have fully performed their respective obligations in accordance with the relevant agreements signed and the relevant commitments made.'

(II) Legal adviser's verification opinion

Beijing Zhonglun Law Firm, the legal adviser of the Transaction, considered that:

‘1. The Transaction has obtained the necessary authorizations and approvals and has the legal conditions for implementation.

2. The procedures for transfer of the subject assets, capital verification, cash consideration payment and registration of additional shares for the issue of shares for the purchase of assets involved in this transaction have been completed.

3. During the implementation of the transaction, there is no material difference between the relevant actual situations and the information previously disclosed.

4. Since CYPIC obtained the approval document from the CSRC for the transaction to the date of this legal opinion, there have been some changes in the senior management, and this change in personnel has fulfilled necessary procedures, and has not had a material adverse impact on the operation and management of CYPIC.

5. The relevant agreements and commitments of the transaction have been effectively performed or are in the process of being performed, and there is no breach of agreements or commitments by the relevant parties.

6. The arrangement of the subsequent matters of this transaction complies with the relevant laws, regulations, normative documents, and the agreement related to this transaction, and there is no material legal impediment to the implementation of the subsequent matters under the circumstances that all parties perform in accordance with the law and the contract.’

Section III Shares issuance of this transaction

I. Stock name and place of listing

(I). Stock name of listing: CYPC

(II). Place of listing: Shanghai Stock Exchange

II. Time of listing

The registration of the additional shares issued for the purchase of assets was completed on 24 April 2023 at the Shanghai Branch of China Securities Depository and Clearing Corporation.

The additional shares are limited shares with conditions. The consideration shares are subject to a 6-month restricted period. The additional shares issued during this period will be listed and traded on the Shanghai Stock Exchange one trading day after the restricted period expires. The restricted period will begin on the date of share issuance.

III. Arrangements of lockup period

The consideration shares acquired by specific objects through this transaction shall not be transferred within 6 months from the date of the end of the issuance of shares.

During the share lockup period after the issued to specific objects, the consideration shares obtained by the counterparties and the shares increased due to the Listed Company's bonus issue, converting equity capital, and other reasons will also be subject to the aforesaid share lockup arrangements.