

**China Yangtze Power Co., Ltd.**  
**Materials of the First Extraordinary General Meeting**  
**in 2023**

June 2023

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## Agenda

**Meeting Date:** June 30, 2023 (Friday) at 9:30 AM

**Meeting Venue:** Room 4205, No. 88 Sanyang Road, Jiang'an District, Wuhan City, Hubei Province, China

**Attending Lawyer:** Lawyer from Beijing Deheng Law Firm

**Meeting Schedule:**

- 1.Attendee registration and shareholder speaking registration (8:30 AM - 9:25 AM)
- 2.Chairman announces the start of the meeting
- 3.Chairman reports the number of attending shareholders and the shares they represent
- 4.Election of vote counters and scrutineers
- 5.Deliberation of agenda items
- 6.Shareholder speeches
- 7.Shareholder voting
- 8.Tabulation of votes
- 9.Reading of the resolutions of the shareholders' meeting
- 10.Reading of the legal opinion letter
- 11.Signing of the shareholders' meeting resolutions
- 12.Conclusion of the meeting

## Instructions

In order to protect the legitimate rights and interests of all shareholders, and to ensure the normal order and efficiency of the shareholders' meeting, the company has formulated these instructions in accordance with relevant laws and regulations, as well as the "Rules for Shareholders' Meetings of Listed Companies (Revised in 2022)" issued by the China Securities Regulatory Commission (CSRC Announcement [2022] No. 13) and other documents.

- 1.Shareholders attending the meeting have the right to speak, question, and vote in accordance with the law. Shareholders attending the meeting should fulfill their legal obligations and shall not infringe upon the legitimate rights and interests of other shareholders or disrupt the normal order of the meeting.
- 2.Shareholders who wish to speak at the meeting should register at the speech registration desk before the formal commencement of the meeting. The chairman will arrange shareholder speeches based on the registration. Shareholders should raise their hands to indicate their intention to speak and follow the meeting's arrangements.
- 3.Only shareholders (including trustees) are allowed to speak or ask questions during the meeting. Shareholder speeches or questions should be relevant to the agenda of the meeting, concise, and each speech should not exceed 3 minutes.
- 4.Shareholders requesting to speak shall not interrupt the report of the

meeting presenter or the speeches of other shareholders. Shareholders will not be allowed to speak during the voting process of the meeting. The chairman has the right to refuse or stop shareholders who violate the above provisions.

5.Shareholders' voting ballots submitted after the completion of the voting process will be considered invalid.

## **Proposal**

### Resolution on Investing in the Construction of the Zhangye Pumped Storage Power Station in Gansu Province

#### **Dear shareholders and shareholder representatives,**

The Gansu Zhangye Pumped Storage Power Station project (hereinafter referred to as "the Project") is located at the junction of Pandao Mountain and the left bank of the Heihe River outlet, between Ganzhou and Sunan County in Zhangye City, Gansu Province. It is proposed to install four units of 350 MW (3,500 kW) single-stage reversible mixed-flow pump-turbine units, with a total installed capacity of 1,400 MW (1.4 million kW). The Project has a daily continuous full-load utilization time of approximately 6 hours, with a planned annual power generation of approximately 1.637 billion kilowatt-hours and a planned annual pumped storage power consumption of approximately 2.183 billion kilowatt-hours. The comprehensive utilization efficiency is about 75%. It is classified as a Class I large-scale project and will mainly undertake tasks such as peak load regulation, valley filling, energy storage, frequency regulation, phase modulation, and emergency backup for the Gansu power grid after its completion.

The static investment for the project is 8.046 billion yuan, with a total investment of 9.57 billion yuan. The unit cost is approximately 5,747 yuan per kilowatt. The main construction includes upper reservoir, water conveyance system, underground powerhouse, tailwater system, lower reservoir, and switchyard. The electric power will be transmitted through two sets of 330 kV lines connected to the 330 kV side of the Ganzhou substation, with a transmission distance of approximately 55 kilometers.

The total construction period of the project is 67 months, of which the preparation period is 6 months, the main construction period is 52 months, and the completion period is 9 months. As arranged, the main project will start in December 2023, the main plant excavation will be completed in December 2025, and the first unit will generate electricity in April 2028.

Gansu Province has abundant wind and solar energy resources, with the annual power generation from renewable energy exceeding 53 billion kilowatt-hours. There is a significant demand for peak load regulation in the province. Compared to more than 10 pumped storage power station projects currently undergoing preliminary work in Gansu Province, this project has superior location advantages and lower costs. It boasts a large capacity, good safety performance, and strong competitiveness, as well as favorable financial indicators.

Investing in and constructing the Project aligns with national and local development strategies and is in line with the company's strategic planning. It is highly consistent and synergistic with the company's core hydropower business. The project can fully leverage the company's strengths in its core business, high credit rating, and low cost of capital. It generates significant social and economic benefits. The project does not involve environmentally sensitive factors such as nature reserves, cultural relics, mineral resources, or ecological conservation redlines. There is no need for population resettlement or relocation. The water diversion tunnels, underground powerhouse chambers, and surrounding rock formations are mainly classified as Grade III, which provides favorable conditions for tunneling. The project has favorable terrain and geological conditions, good construction conditions, and mature electromechanical selection and installation technologies.

The electricity price for this project is based on the benchmark price for coal-fired power generation in the Gansu power grid, which is 0.3078 yuan per kilowatt-hour (including value-added tax). The price per unit capacity of the power station is 643 yuan per kilowatt (including value-added tax). The projected investment return rate of the project meets the company's requirements for pumped storage projects' investment return rate.

In March 2022, the pre-feasibility study report for the project passed the review of the Hydroelectric and Water Resources Planning and Design Institute. In October 2022, the project obtained approval and approval from the Gansu Provincial Development and Reform Commission (refer to *the Announcement on Gansu Zhangye Pumped Storage Power Station Project Receiving Approval and Approval* (on October 22, 2022, announcement number: 2022-063). In December 2022, the feasibility study report for the project has been review and passed by the China Renewable Energy Engineering Institute.

In summary, the Project has excellent economic indicators. Investing in and constructing this project will help the company obtain high-quality resources in the national new energy system construction, leverage the advantages of its core hydropower business, and continuously increase earnings per share, thereby providing better returns for shareholders and investors.

**Resolution Request:** We hereby request the meeting to deliberate and approve the company's investment in the construction of the Gansu



Zhangye Pumped Storage Power Station Project.

We request the meeting to proceed with the review.