

China Yangtze Power Co., Ltd.
Announcement on Daily Related-party Transactions
in 2022

This Announcement has been prepared in Chinese and English respectively. In case of any discrepancy in the understanding of the Chinese and English versions, the Chinese version shall prevail. The Company shall not be liable for any loss arising from misunderstanding of the English version.

Important Notes:

- It is not required to be submitted to the General Meeting of Shareholders for review
- The daily related party transactions do not affect the Company's independence; the Company will not be dependent on the related parties

I. Basic Information of Daily Related Party Transactions

(I) Review procedures of the performance of daily related party transactions

It is hereby announced that China Yangtze Power Co., Ltd. (hereinafter referred to as "the Company") held the 4th Meeting of the Sixth Board of Directors on 27 April 2022. The *Proposal on the Company's Daily Related Party Transactions in 2022* was reviewed and approved. The affiliated directors avoided the voting. The independent directors approved the transaction in advance, and expressed independent opinions as follows: In 2022, the Company is expected to execute 6 types of daily related party transactions with China Three Gorges Corporation (hereinafter referred to as CTG) and its internal related units, such as entrusting or entrusted assets management and business, providing or receiving labor services to or from related parties, renting assets

and leasing assets, totaling 52 transactions, with a total amount of about 3.04383 billion yuan. The above daily related party transactions are required by the daily operation activities of the Company; the transactions shall follow the principles of “equality, voluntariness, making compensation for equal value” and “fairness, impartiality, and openness”, as well as codes of conduct for related party transactions. The interests of the Company and shareholders (especially small and medium-sized shareholders) are not damaged.

(II) Estimate and implementation of the previous daily related party transaction

Unit: 10,000 yuan

Type of related party transaction	Related parties	Estimated amount of last year	Actual Amount Incurred in Previous Year	Reasons for the large difference between estimated amount and actual amount incurred
Entrusting assets management and business	CTG and its related subsidiaries	47,900	47,453	
	SUB TOTAL	47,900	47,453	N/A
Entrusted assets management and business	CTG and its related subsidiaries	85,000	90,816	
	SUB TOTAL	85,000	90,816	N/A
Receiving services from related parties	CTG and its related subsidiaries	71,165	70,335	
	SUB TOTAL	71,165	70,335	N/A
Labor services provided to related	CTG and its related subsidiaries	17,380	6,924	

parties	SUB TOTAL	17,380	6,924	Changes in operation
Rented assets	CTG and its related subsidiaries	8,485	8,105	
	SUB TOTAL	8,485	8,105	N/A
Leased assets	CTG and its related subsidiaries	3,350	3,624	
	SUB TOTAL	3,350	3,624	N/A
Total		233,280	227,257	

(III) Estimated amount and type of this daily related party transaction

Unit: 10,000 yuan

Type of related party transaction	Related parties	Estimated Amount of the Current Year	Actual Amount Incurred in Previous Year	Reasons for the large difference between estimated amount of this year and actual amount incurred in last year
Entrusting assets management and business	CTG and its related subsidiaries	53,100	47,453	
	SUB TOTAL	53,100	47,453	Business Growth
Entrusted assets management and business	CTG and its related subsidiaries	110,000	90,816	
	SUB TOTAL	110,000	90,816	Adding new businesses
Receiving services	CTG and its related	110,265	70,335	

from related parties	subsidiaries			
	SUB TOTAL	110,265	70,335	Adding new businesses
Labor services provided to related parties	CTG and its related subsidiaries	18,908	6,924	
	SUB TOTAL	18,908	6,924	Adding new businesses
Rented assets	CTG and its related subsidiaries	8,500	8,105	
	SUB TOTAL	8,500	8,105	N/A
Leased assets	CTG and its related subsidiaries	3,610	3,624	
	SUB TOTAL	3,610	3,624	N/A
Total		304,383	227,257	

II. Introduction to Related Parties and Related Party Relationship

(I) Affiliated relations

CTG directly holds 55.02% of shares of the Company; in accordance with *Stock Listing Rules of Shanghai Stock Exchange*, CTG is the associated legal person of the Company.

(II) Introduction to related parties

Main businesses of CTG: project investment; equity investment; hydropower generation; wind power generation; solar power generation; ecological protection services; water pollution control; sewage treatment and its recycling; water resources management; water conservancy related consulting services; research and development of emerging energy and resource recycling technologies; development, consultation, exchange, transfer, promotion and service of new energy and environmental protection

technology; urban drainage facilities management services; municipal facilities management services; environmental consulting services; engineering management services; engineering supervision services; Internet of Things application services; import & export of goods and technology and their agency; domestic tourism business.

The strategic positioning of CTG is as follows: Actively serve major national strategies such as the development of the Yangtze River Economic Belt; play a key role in deeply integrating into the Yangtze River Economic Belt and implementing the protection of the Yangtze River; provide the basic guarantee in promoting regional sustainable development; take the lead in promoting the upgrading and going global of China's hydropower industry; promote the deepening reform and innovative development of enterprises, and accelerate the establishment of a world-class multinational clean energy group with strong innovation capability and global competitiveness.

By the end of 2021, CTG had 109 GW of controllable installed power, of which the installed capacity of clean energy exceeded 100 GW; 1.15 trillion yuan in assets size, and a 51.7% asset-liability ratio, maintaining the highest international credit rating.

(III) Implementation and performance

The related party transactions of the Company are well implemented. The operation and financial conditions of CTG are normal without contractual risk.

III. Main Content and Pricing Policy of Related Party Transaction

According to the normal business needs of the Company, a series of daily related party transactions occur between the Company and CTG and relevant units within CTG every year. The daily related party transactions mainly include entrusting or entrusted assets management and business, providing or receiving labor services to or from

related parties, renting assets and leasing assets, etc.

The price of the related party transaction is determined by the following principles:

➤ If the transaction is subject to government pricing, this price is applied directly;

➤ If the transaction implements the government guidance price, the transaction price shall be reasonably determined within the scope of government guidance price;

➤ If the transaction does not have the government pricing or the government guidance price, but has the comparable market price or the charging standard, the transaction prices shall be determined by giving priority to the price or the standard;

➤ If the transaction does not have the comparable market price or the charging standard, the transaction pricing shall be determined with reference to the price of non-related party transaction between the related party and a third party independent of the related party;

➤ If the transaction does not have the market price or the independent non-related party transaction prices for reference, the reasonable cost plus reasonable profit (according to the usual cost gross margin of the industry) shall be regarded as the basis for pricing.

At present, except that the government guidance price is adopted for engineering supervision services, bidding services and leasing the land of CTG, the Company's pricing for daily related party transactions is based on the market price and shall be determined by both parties through negotiation, that is, both parties to a transaction determine the price through negotiation based on the market price information of the region where the subject of the transaction is located and combined with the incurred

cost, which fully ensures the reasonableness of the price.

The settlement mode of daily related party transactions is mainly based on "quarterly payment, annual settlement", "semi-annual payment, annual settlement", "annual settlement", etc.

IV. Purpose of Related Party Transactions and Effect on Listed Companies

As China's largest hydropower listed enterprise, the Company has core capabilities such as the operation and management capacity of large-scale hydropower stations. CTG and its subsidiaries (Three Gorges Base Development Co., Ltd., Yangtze Three Gorges Equipment & Materials Co., Ltd., etc.) can provide professional water supply, power supply, property, warehousing, and other services for the power production of the Company in remote areas or under complex conditions. With the continuous expansion of the Jinsha River hydropower development business of the Company, related party transactions are necessary for meeting the safe, stable and reliable management during the operation of large-scale hydropower stations.

The Company has complete and independent assets, business and production-supply-marketing systems, which are independent from China Three Gorges Corporation in terms of personnel, finance, institutions and other aspects, with complete and well-organized independent production and management capacity. The Company's main business is power production; the proportion of related party transactions in the Company's total revenue is very low; the company will not be dependent on the relevant parties.

V. Documents Available for Inspection

(I) Resolutions of the Fourth Meeting of the Sixth Board of Directors of the Company

(II) Opinions of Independent Directors on the Company's Daily Related Party
Transactions in 2022

It is hereby announced.

Board of Directors of China Yangtze Power Co., Ltd.

27 April 2022