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Neither this announcement, nor anything contained herein, shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any securities referred to in this announcement except solely on the basis of the information contained in a prospectus in its final form (the "**Prospectus**"), to be published by China Yangtze Power Co., Ltd. (the "**Company**") today in connection with the proposed offer of global depositary receipts ("**GDRs**") representing interests in the Company's A shares and the proposed admission of such GDRs to the standard listing segment of the Official List of the United Kingdom Financial Conduct Authority (the "**FCA**") and to trading on the Shanghai-London Stock Connect segment of the main market for listed securities (the "**Main Market**") of London Stock Exchange plc (the "**LSE**"). A copy of the Prospectus will shortly be available for inspection on the Company's website at <https://en.cypc.com.cn>, subject to certain access restrictions.

**25 September 2020**

## **CHINA YANGTZE POWER CO., LTD.**

*(a joint stock company established under the laws of the People's Republic of China with limited liability)*

### **Announcement of Publication of Prospectus**

China Yangtze Power Co., Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**"), the largest hydropower company in the world<sup>1</sup>, announces that its prospectus in connection with its offering of GDRs representing A shares of the Company (the "**Offering**") has today been approved by the FCA.

The Prospectus will shortly be submitted to the National Storage Mechanism and be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. A copy will also be available shortly on the Company's website at <https://en.cypc.com.cn>, subject to certain access restrictions, and at the Company's registered office located at Block B, No. 1 Yuyuantan South Road, Haidian District, Beijing, People's Republic of China.

Goldman Sachs International, UBS AG London Branch, Huatai Financial Holdings (Hong Kong) Limited and CLSA Limited are acting as Joint Global Co-ordinators and Joint Bookrunners (together, the "**Joint Global Co-ordinators**"), and China International Capital Corporation (UK) Limited, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Merrill Lynch International and Morgan Stanley & Co. International plc are acting as Joint Bookrunners (together with the Joint Global Co-ordinators, the "**Joint Bookrunners**")

<sup>[1]</sup> In terms of consolidated installed capacity of hydropower as at 31 December 2019

### **About the Group**

- The Group's primary business mainly consists of hydropower generation, electricity distribution and sales and overseas business. As at 31 December 2019, the Group is the largest hydropower company in the world in terms of consolidated installed capacity of hydropower and the largest listed power company in the PRC in terms of market value, according to the industry report prepared by China Insights Consultancy (the "**Industry Report**").

- The Group is primarily engaged in hydropower generation in the PRC. As at 10 September 2020, the Group owned and operated four hydropower projects located along the upper and midstream of the Yangtze River, namely the Three Gorges Project, the Gezhouba Project, the Xiluodu Project and the Xiangjiaba Project. The Group's four hydropower projects in operation form an integral cascade hydropower system.
- As at 31 December 2017, 2018 and 2019 and 30 June 2020, the total installed capacity of the Group's four hydropower projects remained to be 45,495 MW. According to the Industry Report, as at 31 December 2019, the total installed capacity of the Group amounted to 13.2% of the total installed capacity of hydropower in the PRC. In 2017, 2018 and 2019 and the six months ended 30 June 2019 and 2020, the four projects generated 210.9 TWh, 215.5 TWh, 210.5 TWh, 85.4 TWh and 80.1 TWh of electricity, respectively.
- In July and August 2020, the total electricity generated by the Group's Three Gorges Project, Gezhouba Project, Xiluodu Project and Xiangjiaba Project amounted to 60.9 TWh, representing an increase of 8.6 TWh, or 16.4%, over the electricity generation during the corresponding period in 2019. For the eight months ended 31 August 2020, the total electricity generated by the aforementioned hydropower projects of the Group amounted to 141.0 TWh, representing an increase of 3.3 TWh, or 2.4%, over the electricity generation during the corresponding period in 2019.
- The Wudongde Project and the Baihetan Project are two hydropower projects under construction in the PRC, currently owned by China Three Gorges Corporation ("CTG"). The Group is commissioned to manage and operate the two projects in accordance with contractual arrangements. In light of the non-compete undertaking provided by CTG, the capabilities of the Group, the previous acquisition experience and the fact that the Group is commissioned to manage and operate the two projects, the Group is in the best position to, and is expected to, acquire the Wudongde Project and the Baihetan Project after their commencement of commercial operation. Upon acquisition, the Group is expected to increase its total installed capacity to 71,695 MW and its total annual electricity generation to over 300 TWh.
- Seizing opportunities arising from the PRC power industry reform, the Group has been developing its electricity distribution and sales business. Three Gorges Electric Energy Co., Ltd. ("TGEE") serves as the Group's electricity distribution and sales platform. The Group's electricity distribution and sales network spans over ten provinces and direct-controlled municipalities in the PRC, with Chongqing City and Hubei Province as the central hubs.
- As an integral part of its growth strategy, the Group is actively looking for acquisition opportunities in electricity generation, distribution and sales industry in the overseas market. In April 2020, the Group acquired 83.64% of the equity interests in Luz del Sur, a leading electricity distribution company in Peru. Leveraging its extensive experience in operating large-scale hydropower projects, the Group also provides project management consulting services and operational support for power projects overseas.
- In 2017, 2018 and 2019 and the six months ended 30 June 2019 and 2020, the Group recorded an operating revenue of RMB50,145.5 million, RMB51,214.0 million, RMB49,874.1 million, RMB20,362.8 million and RMB19,912.5 million, respectively.

### **Corporate Information**

- China Yangtze Power Co., Ltd. is a joint stock company established under the laws of the People's Republic of China with limited liability.
- The Company's registered office is located at Block B, No. 1 Yuyuantan South Road, Haidian District, Beijing, People's Republic of China.
- For further information, please visit the website of the Company at <https://en.cypc.com.cn>, or contact:

## **The Company Investor Relations**

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### **Disclaimer / Forward Looking Statements**

The contents of this announcement have been prepared by and are the sole responsibility of the Company.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan, South Africa, or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this announcement may be restricted by laws in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement is not an offer to sell, or solicitation of an offer to buy, acquire or subscribe for any securities to any person in the United States (including its territories and possessions, any state of the United States and the District of Columbia) or in any other jurisdiction in which such offer or solicitation would be unlawful. The GDRs have not been, and will not be, registered under the Securities Act, or the securities laws of any State of the United States and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities law. The Company has not intended and does not intend to make any public offer of securities in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements.

For persons in any member state of the European Economic Area (the "**EEA**"), this announcement and any offer if made subsequently is only addressed to and directed at persons who are "qualified investors" ("**Qualified Investors**") within the meaning of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

For persons in the United Kingdom, this announcement and any offer if made subsequently is only addressed to and directed at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities who fall within Article 49(2)(a) to (d) of the Order, or (iii) to whom it may otherwise lawfully be communicated (all such persons being referred to as "relevant persons").

This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this announcement relates is available only to and will only be engaged with (i) in the United Kingdom, relevant persons, and (ii) in any member state of the EEA, Qualified Investors and other persons who are permitted to subscribe for the GDRs described herein pursuant to an exemption from the Prospectus Regulation and other applicable legislation, and will only be engaged in with such persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates",

"expects", "intends", "may", "will", "can", "could", "would" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

To the fullest extent permitted under applicable laws, the Company and each of the Joint Bookrunners and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

This announcement was prepared and the analyses contained in it based, in part, on certain assumptions made by and information obtained from the Company and/or from other sources. None of the Joint Bookrunners, the Company or any of their respective affiliates, or their or their affiliates' directors, officers, employees, advisors or agents, accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, in relation to the truth, fairness, reasonableness, adequacy, accuracy or completeness of the information, statements or opinions, whichever their source, contained in this announcement (or whether any information has been omitted from the announcement) or any oral information provided in connection herewith, or any data it generates and accepts no responsibility, obligation or liability (whether direct or indirect, in contract or otherwise) in relation to any of such information. The information and opinions contained in this announcement are provided as at the date of this announcement, are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information in this announcement is in draft form and has not been independently verified. The Joint Bookrunners, the Company and their respective affiliates, and their or their affiliates' directors, officers, employees, advisors and agents expressly disclaim any and all liability which may be based on this announcement and any errors therein or omissions therefrom.

Any subscription or purchase of GDRs in the Offering should be made solely on the basis of information contained in the Prospectus. The information in this announcement is subject to change. Before subscribing for or purchasing any GDRs, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement shall not form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any GDRs or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of Admission may be influenced by a variety of factors which include market conditions. There is no guarantee that Admission will occur. You should not base your financial decision on the Company's intentions in relation to Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. All dealings in the GDRs prior to the commencement of unconditional trading will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The value of GDRs can decrease as well as increase. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance. Before purchasing any securities in the Company, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the final form Prospectus. Potential investors should consult a professional advisor as to the suitability of the Offering for the person concerned.

None of the Joint Bookrunners, the Company or any of their respective affiliates, or any of their or their affiliates' directors, officers, employees, advisors or agents, accepts any responsibility

or liability whatsoever for or makes any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this announcement, or as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any.

The Joint Bookrunners and their affiliates are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Each of Goldman Sachs International, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Merrill Lynch International and Morgan Stanley & Co. International plc are authorised by the United Kingdom Prudential Regulation Authority (the "PRA") and regulated by the FCA and PRA in the United Kingdom, and China International Capital Corporation (UK) Limited is authorised and regulated by the FCA in the United Kingdom. UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland, and in the United Kingdom is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA. Huatai Financial Holdings (Hong Kong) Limited and CLSA Limited are each licensed by the Securities and Futures Commission of Hong Kong.

In connection with the Offering, the Joint Bookrunners and/or any of their respective affiliates and/or funds managed by affiliates of the Company acting as an investor for its or their own account(s) may subscribe for GDRs and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such GDRs, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, any references in the Prospectus to the GDRs being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Joint Bookrunners and/or any of their respective affiliates and/or funds managed by affiliates of the Company acting in such capacity. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing or hedging arrangements (including swaps or contracts for differences) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of GDRs. Neither the Joint Bookrunners, the Company nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In connection with the Offering, UBS AG London Branch (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot GDRs or effect transactions with a view to supporting the market price of the GDRs at a level higher than that which might otherwise prevail. The Stabilising Manager may make deferred settlement arrangements with one or more investors to facilitate its stabilisation action. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin on the date of announcement of the Offer Price and, if begun, may be ended at any time but must end no later than 30 days thereafter (the "**Stabilisation Period**"). Any stabilisation action must be undertaken in accordance with applicable laws and regulations. Save as required by law or regulation, the Stabilising Manager does not intend to disclose the extent of any over-allotments made and/or stabilisation transactions concluded in relation to the Offering.

In connection with the Offering, the Stabilising Manager may, for stabilisation purposes, over-allot GDRs up to a maximum of 10% of the total number of GDRs sold in the Offering excluding the Over-allotment GDRs (as defined below). For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of GDRs effected by it during the Stabilisation Period, the Stabilising Manager will enter into over-allotment arrangements pursuant to which the Stabilising Manager may purchase or procure purchasers for additional GDRs up to a maximum of 10% of the total number of GDRs sold in the Offering (the "**Over-allotment GDRs**") excluding the Over-allotment GDRs, at the Offer Price. The

over-allotment arrangements will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th day after the date of announcement of the Offer Price. Any Over-allotment GDRs made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the GDRs, will be purchased on the same terms and conditions as the GDRs being issued or sold in the Offering and will form a single class for all purposes with the other GDRs.

Unless otherwise indicated, market, industry and competitive position data are estimates (and accordingly, approximate) and should be treated with caution. Such information has not been audited or independently verified, nor has the Company ascertained the underlying economic assumptions relied upon therein.

Certain data in this announcement, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this announcement may vary slightly from the actual arithmetic totals of such data. Percentages in tables may have been rounded and accordingly may not add up to 100%.

For the avoidance of doubt, the contents of the Company's website are not incorporated by reference into, and do not form part of, this announcement.

### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the GDRs have been subject to a product approval process, which has determined that such GDRs are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the GDRs may decline and investors could lose all or part of their investment; the GDRs offer no guaranteed income and no capital protection; and an investment in the GDRs is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the GDRs.

Each distributor is responsible for undertaking its own target market assessment in respect of the GDRs and determining appropriate distribution channels.