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**23 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)*

**Intention to List Global Depositary Receipts  
on the London Stock Exchange**

China Yangtze Power Co., Ltd. ("**Yangtze Power**" or the "**Company**", and together with its subsidiaries, the "**Group**"), the largest hydropower company in the world, today announces its intention to proceed with an offering (the "**Offering**") of up to 110,000,000 global depositary receipts (the "**GDRs**") with each GDR representing 10 A shares of the Company, each with a fully paid nominal value of RMB1.00 each (the "**A Shares**") (the "**Offer GDRs**"). The offering therefore represents up to 1,100,000,000 A Shares of the Company, or 5.0% of the total ordinary share capital of the Company prior to the Offering.

The price range for the Offering is expected to be between USD26.46 and USD30.95 per GDR. The final offer price in respect of the Offering (the "**Offer Price**") will be determined based on a book-building process. The book-building process is expected to commence today and to end on or around 24 September 2020.

The GDRs are expected to be admitted to listing on the standard segment of the Official List maintained by the FCA and to trading on the Shanghai-London Stock Connect segment of the Main Market of the LSE (together the "**Admission**"), and unconditional trading in the GDRs is expected to commence on or around 30 September 2020.

**LEI Mingshan, Chairman of the Company, commented:**

*"Today I'm honored to announce the intention of Yangtze Power to list GDRs on the London Stock Exchange via the Shanghai-London Stock Connect."*

*As 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, Yangtze Power is primarily engaged in hydropower generation, electricity distribution and sales as well as overseas businesses. We currently own four hydropower megaprojects along the mainstream of the Yangtze River, with the Three Gorges Project as the largest among them by hydropower installed capacity. The Company has aims to achieve sustainable, stable and robust growth and improvements in operational efficiency, with outstanding performance in hydropower generation as our core business.*

*As we strive to develop our main business of hydropower generation, we also aim to expand our electricity distribution and sales business and our overseas business. We have made strategic investments in hydropower resources across the Yangtze River basin and promoted the joint dispatch of hydropower resources across the upper-and-mid stream of Yangtze River. In addition, the Group has actively expanded along the industrial value chain, built its presence in the electricity distribution and sales business, and explored potential opportunities in integrated energy services. The Group has also actively developed its overseas business by investing in and acquiring high-quality assets. In April 2020, we acquired a 83.64% stake in Luz del Sur, an electricity distribution company in Peru. It was a key milestone in the Group's efforts in expanding along the industry chain and its overseas business.*

*The GDR issuance of Yangtze Power is not only beneficial for our overseas business expansion and capital structure optimization, it also helps us get access to overseas equity financing, integrate with international capital markets and further develop our international strategies. As a leading A-share listed company, we believe Yangtze Power's GDR issuance would enrich the Shanghai-London Stock Connect portfolio and provide better investment opportunities for global investors."*

### **Overview of the Offering**

- The Offering will consist of an offer of up to 110,000,000 GDRs, including GDRs which may be issued pursuant to the over-allotment option granted to UBS AG London Branch (the "**Stabilising Manager**"), acting on behalf of the Joint Bookrunners (as defined below), pursuant to which it may purchase or procure purchasers for additional GDRs up to a maximum of 10% of the total number of GDRs sold in the Offering (excluding the over-allotment GDRs). The Stabilising Manager may make deferred settlement arrangements with one or more investors to facilitate its stabilisation action.
- The Offer GDRs will represent newly issued A Shares of the Company. The Company will also apply to the Shanghai Stock Exchange (the "**SSE**") for admission to listing of the underlying A Shares which is expected to be effective on the date of Admission of the GDRs on the LSE.
- The price range for the Offering is expected to be between USD26.46 and USD30.95 per GDR.
- Assuming the maximum number of Offer GDRs and full exercise of the Over-Allotment Option, the Company expects to raise gross proceeds from the Offering of between approximately USD2,910.6 million and USD3,404.5 million.
- The intended use of the proceeds received from the Offering will be:
  - No less than 80% of the net proceeds would be used to repay the offshore loans for acquiring the interest in certain companies, which in aggregate hold 83.64% of the equity interests in Luz del Sur S.A.A. ("Luz del Sur"), a leading electricity distribution company in Peru; and
  - No more than 20% of the net proceeds would be used to supplement the Group's working capital.
- The Offering is expected to consist solely of newly issued GDRs representing underlying A Shares of the Company. No securities are expected to be sold by existing shareholders of the Company as part of the Offering.
- The Offer GDRs are being offered and sold in the United States only to "qualified institutional buyers" as defined in Rule 144A under the US Securities Act of 1933, as

amended (the "Securities Act") or another exemption from, or a transaction not subject to, the registration requirements under the Securities Act.

- The Offer GDRs are being offered and sold outside the United States in "offshore transactions" within the meaning of Regulation S under the Securities Act.
- The Offering is subject to the receipt of all relevant registrations and regulatory approvals.
- Full details of the Offering will be included in the Prospectus, expected to be published by the Company on or around 25 September 2020. Based on the order book prepared during the book-building process, the Offer Price and the final number of GDRs to be offered are expected to be determined on or around 24 September 2020.
- Conditional trading in the GDRs on the LSE is expected to commence on a "when-issued" basis on or around 25 September 2020 and unconditional trading in the GDRs is expected to commence on or around 30 September 2020. Investors should rely only on the information contained in the Prospectus when making a decision as to whether to invest in the GDRs.
- 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**")

### **Overview of 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.

### **Investment Highlights**

The Group believes the competitive strengths set out below place it at the forefront of the hydropower generation industry in China:

***The Group is the largest hydropower company in the world with unique and exceptional hydropower resources.***

- The Group is a leader in the global hydropower industry. As at 31 December 2019, the Group was 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. As at 31 December 2019, the Group owned four mega hydropower projects, namely the Three Gorges Project, the Gezhouba Project, the Xiluodu Project and the Xiangjiaba Project, accounting for three of the twelve largest hydropower projects in operation and under construction in the world in terms of installed capacity of hydropower (actual or expected). As at 31 December 2019, the Group had a total installed capacity of 45,495 MW, which amounted to 13.2% of the total installed capacity of hydropower in the PRC. In 2019, the Group generated 210.5 TWh of electricity, which amounted to 16.4% of the aggregate annual generation output of hydropower projects in the PRC. As at 31 December 2019, the Group owned 58 hydro turbine-generator units with a capacity of 700 MW each, accounting for 52% of hydro turbine-generator units with a capacity of 700 MW or above in the world.
  - With a total installed capacity of 22,500 MW, the Three Gorges Project was the largest among all hydropower projects in operation and under construction in the world in terms of installed capacity of hydropower (actual or expected) as at 31 December 2019, according to the Industry Report. In 2014, the Three Gorges Project generated 98.8 TWh of electricity, breaking world records of annual electricity generation by a single hydropower project. In 2018, the Three Gorges Project generated 101.6 TWh of electricity, setting an unbeaten record in terms of annual electricity generation by a single hydropower project in the PRC.

- With a total installed capacity of 13,860 MW and 6,400 MW, respectively, the Xiluodu Project and the Xiangjiaba Project was the fourth and the eleventh largest among all hydropower projects in operation and under construction in the world in terms of installed capacity of hydropower (actual or expected) as at 31 December 2019, according to the Industry Report.
- The Wudongde Project and the Baihetan Project are two hydropower projects under construction in the PRC, currently owned by 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 will own five of the twelve largest hydropower projects in the world in terms of total installed capacity of hydropower and is expected to increase its total installed capacity to 71,695 MW.
- The Group's four mega hydropower projects are all located on the mainstream of the Yangtze River which ranks first among all major rivers in the PRC in terms of length, drainage area, average annual runoff and runoff speed, creating rich and premium hydropower resources.
  - According to the Industry Report, the Yangtze River is approximately 6,300 kilometres in length. It has a drainage area spanning over 1.8 million square kilometres, a natural drop of approximately 5,400 metres, and an average annual runoff of approximately 919 billion cubic metres (exclusive of water inflows from the Huai River). It has the largest natural drop and the second largest average annual runoff among the five longest rivers in the world, providing exceptional conditions for developing a cascade hydropower system.
  - The Xiluodu Project and the Xiangjiaba Project are located on the Jinsha River, and the Three Gorges Project and the Gezhouba Project are located on the upper mainstream of the Yangtze River, which are the first and the second largest among the PRC's thirteen hydropower bases in terms of capacity to be developed by 2020 as planned in the 13th Five-Year Plan for Hydropower Development, respectively, according to the Industry Report.
- The Group's exceptional hydropower projects and resources provide a strong foundation for its future growth. The Group believes it is well positioned to maintain its leadership in the global hydropower industry.

***The Group possesses world-class capabilities for the operation and maintenance of mega hydropower projects with an optimised cascade hydropower system.***

*World-class operation and maintenance capabilities*

- The Group possesses world-class operation and maintenance capabilities and technical expertise. It can operate its multi-project cascade hydropower system smoothly under various conditions, with enhanced abilities to operate its hydropower projects under heavy load without interruption for a prolonged period of time, ensuring efficient and stable power generation.
  - The Group has an outstanding operations team with over 30 years of experience in operating mega hydropower projects. According to the Industry Report, as at 31 December 2019, the Three Gorges Project ranked first in terms of installed capacity per employee among hydropower projects in the PRC, which is also at a world-leading level.
  - The Group has established an operational diagnosis and analysis system to collect operating data online, conduct trend analysis and enhance failure

prediction and diagnosis capabilities, which contributed to increased operational safety and stability. In 2019, the Group's unit average equivalent availability factor was 93.7%, indicating best-in-class quality.

- The Group has a highly-skilled team of experts specialising in the maintenance and repair of hydro turbine-generator units with a capacity of 700 MW or above. The Group implemented a project-based maintenance management system by establishing a technical decision support system and a best-in-class management system across the river basin. The Group created a maintenance support system, which enabled the monitoring of the full maintenance and repair process and contributed to safe and stable operations of the hydropower projects. As at 31 December 2019, the Group's hydropower projects maintained a track record of zero key equipment failure and zero material personal injury accident for ten consecutive years.

#### *Cutting-edge forecast technology*

- The Group has a large-scale hydrological telemetry system, meteorological forecast system, hydrological forecast system, communication and automation support system in the PRC powered by cutting-edge technologies. As at 31 December 2019, the Group ranked first among hydropower companies in the PRC in terms of the number of remote telemetry stations and the drainage area under control of the telemetry system. The Group also uses optimised dispatch models to collect daily dispatch information from certain major hydropower projects located in the upstream of the Yangtze River and to improve hydrological forecast accuracy. In 2019, the Group's 24-hour hydrological forecast accuracy rate is approximately 97.9%, which was at an industry-leading level in the PRC.

#### *Jointly optimised dispatch and scheduling of the cascade hydropower system*

- Through a combination of the above, the Group implements a jointly optimised dispatch and scheduling mechanism for its cascade hydropower system to regulate water inflow and improve utilisation of water resources.
  - From 2010 to 2013, through jointly optimised dispatch and scheduling between the Three Gorges Project and the Gezhouba Project, the Group increased its annual electricity generation by approximately 5 TWh to 8 TWh each year compared with the electricity generation calculated based on the designed operations mode of such projects.
  - From 2014 to 2018, after incorporating the Xiluodu Project and the Xiangjiaba Project into the cascade hydropower system upon their commencement of commercial operation, the increased annual electricity generation was elevated to approximately 10 TWh.
  - In 2019, through jointly optimised dispatch and scheduling, during the peak flood season, the Three Gorges Project, the Xiluodu Project and the Xiangjiaba Project operated at full capacity for a total of 109 hours, 256 hours and 1,536 hours, respectively, which increased the Group's annual electricity generation by 9.9 TWh. The Group's electricity generation in 2019 exceeded its designed annual output by 18.7 TWh.
- Following the principles of precise dispatch, efficient operation and careful maintenance, in 2017, 2018 and 2019, the utilisation hours of the Group's four hydropower projects were above the national average by a wide margin, according to the Industry Report. For instance, in 2019, the average annual utilisation hours of the Three Gorges Project, the Gezhouba Project, the Xiluodu Project and the Xiangjiaba Project were 4,337.3 hours, 7,369.0 hours, 5,073.3 hours and 5,857.6 hours, respectively, all higher than the national average, which was 3,726 hours.

***Favourable national policies and preferential offtake arrangement provide assurances for the Group's electricity sales.***

- The electricity consumption per capita in the PRC grew from 3,820.1 kWh in 2015 to 4,874.2 kWh in 2019, representing a CAGR of approximately 6.3%, which far exceeded the global average growth rate. At the same time, the electricity consumption per capita in the PRC in 2019 was approximately one third of that of the United States, showcasing significant growth potential. According to the Industry Report, from 2019 to 2024, the CAGR of the PRC's total electricity consumption is expected to be 4.1%.
- The NDRC and the NEA have promulgated policies to encourage the development of clean energy, including hydropower.
  - The PRC Renewable Energy Law mandates the full purchase of electricity on grid generated from renewable energy.
  - The 13th Five-Year Plan for Energy Development sets out the guiding principles for hydropower development, which are to promote the development of large-scale hydropower bases in river basins, expedite the construction of pivotal hydropower projects, limit the development of small and medium-sized hydropower projects, and expand the regions for hydropower offtake.
  - The Implementation Opinions on the Orderly Opening of the Power Generation and Offtake Plans specifies that the amount of electricity generated by existing mega hydropower projects within the national plans that enjoys preferential offtake shall not be lower than the actual generation amount in the preceding year or its multi-year average.
  - The Notice on Establishing and Improving the Mechanism to Guarantee Electricity Offtake for Renewable Energy established a quota system for electricity generated from renewable energy. A minimum number representing the proportion of renewable energy among the total electricity offtake in a provincial region will be set each year.
- The Group's four hydropower projects are nationally strategic energy infrastructure and key electricity suppliers for the PRC's West-East Electricity Transmission Project, playing a significant role in the PRC's national energy strategy. As a result, the offtake arrangement of the Group's electricity generation is directed by the national government and the annual preferential offtake amount shall be no lower than the Group's actual generation amount in the preceding year or its multi-year average.
- Each of the Group's hydropower projects has adequate complementary electricity transmission lines. The Group's electricity is mainly distributed to economically developed regions in the PRC through ultra-high-voltage transmission lines across provinces and regions. These areas include the Yangtze River Delta and the Pearl River Delta, such as Shanghai City, Zhejiang Province and Guangdong Province, with high electricity demand. In addition, the pricing of the Three Gorges Project and the Gezhouba Project are competitive, being generally lower than the local benchmark tariffs of coal-fired power in the receiving provinces.

***The Group has achieved outstanding and steady profitability, sufficient cash flows and is committed to delivering value to its shareholders.***

- The Group has delivered an outstanding and steady financial track record. Since its listing on the A-Share market in 2003, the Group's total operating revenue and net profit have been growing steadily along with the increase of its total installed capacity, and currently remain at a relatively high level. From 2003 to 2019, the Group's total operating revenue increased from RMB3.0 billion to RMB49.9 billion, representing a CAGR of 19.2%. During the same period, its net profit increased from RMB1.4 billion to RMB21.6 billion, representing a CAGR of 18.7%. In 2017, 2018 and 2019 and the six months ended 30 June 2019 and 2020, the Group's net profit margin, calculated as net profit divided by operating revenue, was 44.4%, 44.2%, 43.2%, 42.1% and 39.9%, respectively.

- The Group has sufficient Free Cash Flows, calculated by deducting (a) cash paid for purchasing fixed assets, intangible assets and other long-term assets from (b) net cash flows generated from operating activities. This is a result of its superior business and financial performance in the past and the fact that it directly acquires hydropower projects in operation from CTG and does not incur significant project development expenditure. All of the Group's sales of electricity during 2017, 2018 and 2019 have been fully settled and the proportion of cash among the receivables recovered was close to 100%. In 2017, 2018 and 2019 and the six months ended 30 June 2019 and 2020, the Group recorded net cash flows generated from operating activities of RMB39,693.2 million, RMB39,736.7 million, RMB36,464.4 million, RMB13,828.0 million and RMB12,066.4 million, respectively. During the corresponding periods, the Group's Free Cash Flows were RMB37,136.9 million, RMB36,617.8 million, RMB33,747.6 million, RMB12,509.3 million and RMB10,441.1 million, respectively, accounting for 74.1%, 71.5%, 67.7%, 61.4% and 52.4% of its operating revenue.
- In addition, the Group's leverage ratio is significantly lower than the industry average, according to the Industry Report. In 2017, 2018 and 2019, the Group's ratio of total indebtedness to total capitalisation, calculated as the sum of total indebtedness and stockholders' equity, was approximately 50.6%, 47.6% and 44.7%, respectively.
- The Company specified a ten-year cash dividend policy in its Articles of Association:
  - from 2016 to 2020, the amount of annual cash dividends that the Company distributes each year shall be no lower than RMB0.65 per share;
  - from 2021 to 2025, the amount of annual cash dividends that the Company distributes each year shall be no less than 70% of the annual net profits of the Company.
- Since the Company's A-Share listing, it has cumulatively distributed cash dividends of approximately RMB109.3 billion with respect to the years from 2003 to 2019. For the years ended 31 December 2017, 2018 and 2019, the Company distributed cash dividends of RMB0.68, RMB0.68, RMB0.68 per share, respectively. According to the Industry Report, since 2016, the Company's annual dividend yield exceeded the average level of the A-Share market. From 2016 to 2019, the Company's dividend per share ranked first in the PRC's power industry and was among the top three among the constituent companies of the MSCI China A Onshore Utilities Index.

***Leveraging its strong financing capabilities, the Group successfully executed its growth strategy through acquisitions and external investments.***

- The Group has sufficient cash flows and prudent financial policies. Leveraging its premium brand image and high credit ratings (AAA by China Cheng Xin International, being the highest domestic credit rating, and A+ by Fitch Ratings, same as the PRC's sovereign rating), the Group maintains a sound capital structure and continues to reduce its financial costs. The Group has raised ample low-cost funding for its strategic investments by seizing market opportunities and utilising innovative financing channels.
- In line with its growth strategy, the Group has been making prudent investments in the PRC and overseas in electricity generation, distribution and sales sectors to create synergies with its existing businesses. The Group continues to acquire high-quality strategic assets to strengthen its core business of hydropower generation and to expand along the industrial value chain simultaneously.
  - The Group strives to enhance the jointly optimised dispatch and scheduling of hydropower resources across the upper and midstream of the Yangtze River to achieve strategic synergies. As at 30 June 2020, the Group held a 12.82% interest in SDIC Power Holdings CO., LTD. (600886.SH) and a 13.23% interest in Sichuan Chuantou Energy Co., Ltd. (600674.SH), both of which are major participants in developing the hydropower resources of the Yalong River. Further, as at 30 June 2020, the Group held a 23% interest in Yunnan Huadian Jinsha River Midstream Hydropower Development Co., Ltd.



("Midstream Jinsha") (a major participant in developing the hydropower resources of the midstream of the Jinsha River), being its second largest shareholder. These investments further advanced the Group's hydropower generation business.

- The Group is expanding its electricity distribution and sales business in the PRC. Seizing opportunities arising from the national energy system reform, the Group engages in electricity distribution and sales business in suitable regions by constructing new incremental distribution networks and acquiring existing ones. As at 30 June 2020, the Group held a 16.55% interest in Chongqing Three Gorges Water Conservancy and Electric Power Co., Ltd. ("TGWC"), a SSE-listed company primarily engaged in electricity distribution and sales, making it the largest shareholder of TGWC. TGWC has acquired several local grid companies in Chongqing City where the Group previously held minority interests, which effectively achieved the listing of all its electricity distribution and sales operations in the region. These investments laid a strong foundation for the Group's future efforts in developing this segment.
- The Group is expediting the expansion of its overseas business through offshore investments and acquisitions, aiming at building a premium international brand. The Group is closely monitoring offshore energy assets which may generate synergies with its current business. In April 2020, the Group acquired 83.64% of the equity interests in Luz del Sur, a leading electricity distributor in Peru. The transaction was the largest electricity asset acquisition by Chinese companies and also one of the largest electricity asset acquisitions in the world in the past five years in terms of transaction value. It marked a breakthrough in the Group's efforts in expanding along the industry chain and expanding overseas. In addition, in August 2016, the Group acquired a minority interest in an offshore wind farm complex located in Germany with a total installed capacity of 288 MW. The investment has generated a stable return for the Group over the past few years.
- The Group's high quality investments have made a substantial contribution to its earnings, which can help reduce the impact of hydrological fluctuations on the Group's results of operations. The Group's investments created new profit growth points while its total installed capacity remained unchanged. In 2017, 2018 and 2019, the Group recorded an investment income of RMB2,311.7 million, RMB2,707.0 million and RMB3,074.8 million, respectively, accounting for 8.7%, 10.0% and 11.5% of its total profit. The Group's investment income reached a historical high in 2019.

***Dedicated to establishing a robust corporate governance system, the Group has a visionary management team with extensive experience and a team of experts with industry-leading skills.***

- The Group has a robust corporate governance system. The members of its Board of Directors and the Supervisory Committee have extensive experience in a variety of areas, including enterprise management, finance and insurance, financial management, legal affairs, infrastructure construction and hydropower project operations. They are experienced corporate leaders with extensive experience and strong risk control and prevention capabilities. The Board of Directors consist of fifteen directors, among which two thirds are independent directors or nominated by non-controlling shareholders. Between 2016 and 2019, the Group received several China Securities Golden Bauhinia Awards. In 2019, the Group was named one of the "Most Honored Companies" in Institutional Investor's 2018 All-Asia Executive Team Survey.
- The Group has a stable management team that has served the Group for an extended period of time. The Group's senior management team on average have over thirty years of experience related to hydropower project operations in the power industry, and have been working for the Group for over twenty years. The management team has exceptional strategic management capabilities and possesses deep insights and a

comprehensive understanding of the development and future trends of the clean energy industry and power sector. Based on the latest industry developments in the PRC and overseas, the management team formulates forward-looking growth strategies based on the Group's conditions and takes initiatives to implement them. The management team also has extensive investment and capital markets experience, having carried out expansion plans through multiple equity investments and acquisitions.

- The Group also has a team of experts with best-in-class technical skills. With over 30 years of experience, the Group has developed a highly-skilled, multidisciplinary team of experts specialising in operating and managing mega hydropower projects and in maintaining and repairing electricity generation equipment, mastering world-class technologies. As at 30 June 2020, the Group had a total of 4,077 employees, 78.9% of which held a bachelor's degree or above.
- Further, the Group established the Key Laboratory of Smart Yangtze River and Hydropower Science of Hubei Province. The laboratory recruited a team of outstanding technical professionals and conducted academic exchanges and cooperation domestically and overseas. The laboratory has undertaken more than ten projects of National Natural Science Foundation and has made a number of innovative breakthroughs in relation to the jointly optimised dispatch and scheduling mechanism of the cascade hydropower system and the efficient utilisation of hydropower resources.

***The Group actively fulfils social responsibilities and is fully committed to environmental sustainability.***

- Since 2006, the Group has been implementing environmental management systems and its four hydropower projects successively received ISO14001 certification, the international standard that specifies requirements for an effective environmental management system. The Group constantly strives to improve its environmental management system and strengthens its environmental protection measures through the PDCA Cycle, or the Plan-Do-Check-Act Cycle.
- The Group strictly complies with environmental laws and regulations, fulfils environmental impact assessment and water and soil conservation procedures for hydropower projects, adheres to pollutant discharge standards, and closely controls the collection and disposal of hazardous waste. The Group's environmental protection efforts have been recognised by local government authorities. In 2020, the Group was listed as one of the first batch of exemplary enterprises for ecological environment protection and compliance by local authorities.
- The Group's four hydropower projects are of national strategic importance and play a vital role in flood control, electricity generation, drought prevention, water supply, navigation and development of local economies. The Group leverages the cascade hydropower system in its environmental protection efforts. Through the jointly optimised dispatch and scheduling of the cascade hydropower system, the Group regulates water inflow and improves utilisation of water resources. In addition, it releases water from its reservoirs during drought periods to meet water demands downstream. It also implemented a joint ecological dispatch experiment at the Three Gorges Project, the Xiluodu Project and the Xiangjiaba Project to create suitable water flows and water temperatures to increase fish reproduction.
- The Group adheres to the principles of prioritising ecological environment and achieving sustainable development. The Group sets aside substantial funds for environmental protection in the Yangtze River Basin and its reservoirs maintain good water quality. The Group participated in a number of biodiversity initiatives. For example, it sponsored research projects dedicated to the cultivation and conservation of endangered plants and for the breeding of the Chinese sturgeon. It also participated in fish proliferation and release efforts. The Group has been investing in new business forms such as green shore power projects and ship electrification projects to diversify its environmental protection efforts.

- As at 31 December 2019, the Three Gorges Project, the Gezhouba Project, the Xiluodu Project and the Xiangjiaba Project had cumulatively generated 2,428.8 TWh of electricity during their entire operating history, which, according to the Industry Report, is equivalent to 21 years of total electricity consumption in Beijing City (calculated with its 2019 annual electricity consumption amount), and is also equivalent to electricity generated by 745 million tonnes of standard coal, and reduced carbon emission by 2,035 million tonnes.
- Further, the Company is expected to qualify for the LSE's Green Economy Mark at Admission, which recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

### **Business Strategies**

Committed to being a leader in the global hydropower industry, the Group will seize opportunities emerging from the marketisation reform of the power industry. The Group plans to implement a development strategy focusing on its main business of hydropower generation and at the same time expanding related businesses consisting of (a) its electricity distribution and sales business and (b) overseas business.

***The Group will continue to develop its main business of hydropower generation and solidify its leading position in the global hydropower industry.***

- The Group plans to continue to increase its hydropower installed capacity by acquiring hydropower projects from CTG. The Group will solidify its leading position in the global hydropower industry by increasing the scale of its cascade hydropower system in the mainstream of the Yangtze River.
  - 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 Wudongde Project and the Baihetan Project, 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, it is expected that the Group's total installed capacity of hydropower will increase by 57.6% to 71,695 MW; its total expected electricity generation will increase to over 300 TWh; and it will own a total of 86 hydro turbine-generator units with a capacity of 700 MW or above.
  - Upon acquisition, the Wudongde Project and the Baihetan Project are expected to become an integral part of the Group's cascade hydropower system, which will further boost its jointly optimised dispatch and scheduling capabilities and increase its hydropower generation.
- The Group plans to further increase its equity investments in the developers of hydropower resources across the upper and midstream of the Yangtze River, to promote a jointly optimised dispatch and scheduling mechanism on a larger scale and increase its utilisation of hydropower resources. The Group has acquired minority interests in SDIC Power Holdings CO., LTD., Sichuan Chuantou Energy Co., Ltd. and Midstream Jinsha. In the future, based on its strategic goals, the Group plans to make similar investments and establish a profit-sharing mechanism to maximise the utilisation of hydropower resources across the Yangtze River basin.

***The Group will grow related businesses to create additional profit growth points.***

***(a) The Group will grow its domestic electricity distribution and sales business to extend across the hydropower industry chain.***

- With respect to its electricity distribution and sales business, the Group will focus on the destinations of its electricity offtake and select regions with proper conditions to

expand into. First, it will use TGWC as the platform to coordinate business development across different regions, consolidate high-quality electricity distribution and sales assets and lay the foundation for a sustained development of this segment. Second, it will actively participate in the incremental distribution pilot programs, focusing on regions including Shanxi, Yunnan, Jiangxi and Anhui Province. Third, it will pay close attention to opportunities both upstream and downstream in the industrial value chain, such as hybrid energy, smart energy and microgrid, and opportunities emerging from new strategic industries. The Group aims to broaden its business scope, explore new value-added services and enhance its core competitiveness.

*(b) The Group will further develop its overseas business by making equity investments in overseas power assets.*

- With respect to its overseas business, the Group will closely monitor potential opportunities to invest in electricity distribution and sales assets in mature markets such as Europe and South America. It will leverage its experience in power industry to strategically select investment targets and expedite its overseas expansion. The Group also plans to further develop its high-end consulting services for international clean energy projects. In addition to its existing businesses in Brazil and Pakistan, the Group intends to participate in the operations of additional overseas power projects to export its core capabilities of operating mega power projects and to enhance its international brand image.

#### **Dividend Policy**

After completion of the Offering, the Company may distribute dividends in the form of cash or stocks. Any proposed distribution of dividends shall be formulated by the Board and will be subject to shareholders' approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including the Group's results of operations, cash flows, financial condition, payments by its subsidiaries of cash dividends to the Company, business prospects, statutory, regulatory and contractual restrictions on its declaration and payment of dividends and other factors that the Board may consider important.

According to the applicable PRC laws and its Articles of Association, the Company will pay dividends out of its profit after tax only after it has made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory reserve equivalent to 10% of its profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of its registered capital, no further allocations to this statutory reserve will be required;
- allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders of the Company in a shareholders' meeting.

Furthermore, as set forth in its Articles of Association, the Company distributes dividends primarily in the form of cash, but may also distribute dividends in the form of stocks. The Company shall in principle distribute cash dividends every fiscal year, and may declare interim dividends as it considers appropriate, provided that the Company records a positive profit for the year and has positive retained earnings. In principle, the profits for distribution in each fiscal year shall be no less than 50% of the distributable profits realised in the same period. According to its Articles of Association, the amount of annual cash dividends that the Company distributed for years from 2016 to 2020 shall be no lower than RMB0.65 per share and the amount of annual cash dividends that the Company distributed for years from 2021 to 2025 shall be no less than 70% of the annual net profits of the Company. For the years ended 31 December 2017, 2018 and 2019, the Company distributed cash dividend of RMB0.68, RMB0.68, RMB0.68 per share, respectively. However, the Company is allowed to amend its Articles of Association with the

approval of more than two thirds of its shareholders and there is no assurance that the Company will distribute the dividends in an amount as specified in the Articles of Association.

### **Management and Corporate Governance**

- The Company's Board of Directors is responsible for the general management of the Company and is accountable to the general meeting. Board meetings include routine board meetings and extraordinary board meetings. A routine board meeting is required to be called twice a year. An extraordinary board meeting may be called upon demand.
- The Company's Board of Directors currently consists of 15 Directors, including five independent non-executive Directors. A Director serves a term of three years and may seek re-election upon expiry of the said term. Independent Directors cannot serve more than two terms consecutively.
- The senior management team consists of Mr. XUE Fuwen (Deputy General Manager), Mr. LI Pingshi (Deputy General Manager), Mr. ZHAN Pingyuan (CFO and Chief Legal Counsel), Mr. GUAN Jielin (Deputy General Manager) and Mr. LI Shaoping (Secretary of the Board of Directors).
- Due to job transfers, Mr. CHEN Guoqing and Mr. XIE Feng who acted as general manager and deputy general manager of the Company, respectively, have resigned from their respective positions as at 24 August 2020. The senior management of the Company is responsible for the management and operations of the Company. The Company expects that its daily operations will not be materially and adversely impacted by such job transfers.

### **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 Offer 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 Offer 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 Offer GDRs in the proposed Offering should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offering. The information in this announcement is subject to change. Before subscribing for or purchasing any Offer GDRs, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. 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 Offer 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. The Company may decide not to go ahead with the proposed Offering and/or Admission and therefore there is no guarantee that the Prospectus will be published, the proposed Offering will proceed or 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.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the proposed 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, if published. Potential investors should consult a professional advisor as to the suitability of the proposed 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 Offer GDRs and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such Offer GDRs, any other securities of the Company or other related investments in connection with the Offering or otherwise. Accordingly, any references in the Prospectus, if published, to the Offer 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 Offer GDRs have been subject to a product approval process, which has determined that such Offer 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 Offer GDRs may decline and investors could lose all or part of their investment; the Offer GDRs offer no guaranteed income and no capital protection; and an investment in the Offer 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 Offer GDRs.

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