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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement does not constitute or form a part of any offer of securities for sale in the United States. The securities referred herein and the guarantee of the Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States or other jurisdiction and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities will be made in the United States.*

***This announcement and the listing documents referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") (the "Listing Rules") and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing documents) forms the basis for any contract or commitment whatsoever.** For the avoidance of doubt, the publication of this announcement and the listing documents referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer (as defined below) and the Guarantor (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

***Notice to Hong Kong investors**: Each of the Issuer and the Guarantor confirms that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and will be listed on Hong Kong Stock Exchange on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR AND PRICING SUPPLEMENTS ON THE STOCK EXCHANGE OF HONG KONG LIMITED

State Grid Overseas Investment (BVI) Limited
国家电网海外投资(BVI)有限公司

(incorporated with limited liability in the British Virgin Islands)
(the **"Issuer"**)

CNY2,000,000,000 2.00% Senior Guaranteed Notes due 2030 (the "2030 Notes")
(Stock Code: 85030)
and
CNY2,000,000,000 2.25% Senior Guaranteed Notes due 2035 (the "2035 Notes", and together with the 2030 Notes, the "Notes")
(Stock Code: 85031)

issued under its US$15,000,000,000
Guaranteed Medium Term Note Programme (the "Programme")
unconditionally and irrevocably guaranteed by

国家电网有限公司
STATE GRID
CORPORATION OF CHINA

State Grid Corporation of China

(a limited liability company incorporated in the People's Republic of China)

(the "**Guarantor**")

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

ICBC	**Agricultural Bank of China**	**Bank of China**	**CITIC Securities**

Joint Bookrunners and Joint Lead Managers

China CITIC Bank International	**DBS Bank Ltd.**	**China Merchants Bank**	**Bank of Communications**

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Please refer to (i) the offering circular dated 4 June 2025 (the "**Offering Circular**") relating to the Programme and (ii) the pricing supplement dated 5 June 2025 relating to the 2030 Notes and the pricing supplement dated 5 June 2025 relating to the 2035 Notes (together, the "**Pricing Supplements**"), each appended herein. As disclosed in the Offering Circular and the Pricing Supplements, the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and are listed on Hong Kong Stock Exchange on that basis.

Neither the Offering Circular nor the Pricing Supplements constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor are they invitations to the public to make offers to subscribe for or purchase any securities, nor are they circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular and the Pricing Supplements must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended.

Hong Kong, 13 June 2025

As at the date of this announcement, the directors of Guarantor are ZHANG Zhigang, PANG Xiaogang, SHAO Guoyong, SHANG Bing, WU Xiaogen, HU Aimin, FAN Xiaxia and LI Kai.

As at the date of this announcement, the directors of Issuer are OU Xiaoming, CHEN Lei and DONG Jun.

APPENDIX I
Offering Circular dated 4 June 2025

[See over page]

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) PURCHASING THE SECURITIES OUTSIDE THE U.S. IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES AND THE GUARANTEE THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S. By accepting the e-mail and accessing the following the Offering Circular, you shall be deemed to have represented to us and the dealers under this programme that (1) you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S and that the electronic e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Offering Circular to any other person. You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply by e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

This Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers (as defined below) or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Joint Arrangers, the Dealers or the Agents (as defined below), nor any person who controls any of them, nor any director, officer, employee, nor agent of any of them, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Arrangers or the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

STATE GRID OVERSEAS INVESTMENT (BVI) LIMITED
国家电网海外投资(BVI)有限公司

(incorporated with limited liability in the British Virgin Islands)

US$15,000,000,000
Guaranteed Medium Term Note Programme
unconditionally and irrevocably guaranteed by

国家电网有限公司
STATE GRID
CORPORATION OF CHINA

State Grid Corporation of China

(a limited liability company incorporated in the People's Republic of China)

Under the US$15,000,000,000 Guaranteed Medium Term Note Programme described in this Offering Circular (the "**Programme**"), State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司 (formerly known as State Grid Overseas Investment (2016) Limited 国家电网海外投资(2016)有限公司)(the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**") which will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by State Grid Corporation of China (the "**Guarantor**" or the "**Company**"). The Issuer is an indirect wholly-owned subsidiary of the Company. The aggregate nominal amount of the Notes outstanding will not at any time exceed US$15,000,000,000 (or the equivalent in other currencies), subject to increase as further described in "Summary of Programme".

The Guarantor will enter into a deed of guarantee (each, a "**Deed of Guarantee**") with The Bank of New York Mellon, London Branch as trustee (the "**Trustee**") on the issuance date of each series of the Notes issued under the Programme. The Guarantor undertakes that it will file or cause to be filed with the State Administration of Foreign Exchange ("**SAFE**") each Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定), so long as such rules are still in effect. The Guarantor will use its best endeavours to complete the registration of the Deed of Guarantee with SAFE ("**Cross-border Security Registration**") and obtain a registration record from SAFE on or before the Registration Deadline (being 150 Registration Business Days (as defined in the Terms and Conditions of the Notes (the "**Conditions**")) after the issuance date of each series of the Notes under the Programme). The Guarantor will comply with all applicable PRC laws and regulations in relation to the Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. The Notes are solely to be repaid by the Issuer and the Guarantor (as the case may be) and the obligations of the Issuer and the Guarantor under the Notes or the Trust Deed shall solely be fulfilled by them as an independent legal person.

The Notes may be issued on a continuing basis to one or more of the Dealers appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 13.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "Summary of the Programme") of Notes will be set out in a Pricing Supplement which, with respect to Notes to be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"), will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche. Application has been made to the Hong Kong Stock Exchange for the listing of the Programme, under which Notes may be issued during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. This Offering Circular is for distribution to Professional Investors only.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, or the Issuer, the Guarantor and the Group (as defined herein), or quality of disclosure in this Offering Circular.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes to be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes, to the extent that such Notes are to be listed on The Stock Exchange of Hong Kong Limited, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, The Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

The Notes may be issued in bearer or registered form. The Notes of each Series issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Notes**"). Bearer Notes that are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note from 40 days after the relevant issue date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Notes in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. The Notes of each Series in registered form will initially be represented by a global certificate (each a "**Global Certificate**"). Global Notes may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority, and Global Certificates may be deposited on the issue date with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"), with a common depositary on behalf of Euroclear and Clearstream or with a sub-custodian for the CMU. In the case of a Series intended to be cleared through a clearing system other than, or in addition to, DTC, Euroclear and/or Clearstream or CMU, or delivered outside a clearing system, the Global Notes and Global Certificates may be deposited on the relevant issue date as agreed between the Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes or Global Certificates for Certificates are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Notes of each Series to be issued in registered form and which are sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933 (the "**Securities Act**") ("**Unrestricted Notes**") will initially be represented by a permanent registered global certificate (each an "**Unrestricted Global Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, with a common depositary on behalf of Euroclear and Clearstream, (b) in the case of a Series intended to be cleared through the CMU, with a sub-custodian for the CMU, (c) in the case of a Series intended to be cleared through DTC, with a custodian for, and registered in the name of a nominee of, DTC and (d) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear, Clearstream, the CMU and/or DTC or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. Registered Notes which are sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a registered global certificate (each a "**Restricted Global Certificate**"), which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, with a common depositary on behalf of Euroclear and Clearstream, (b) in the case of a Series intended to be cleared through DTC, with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, DTC.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERMS ARE DEFINED UNDER REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. UNLESS AN AMENDMENT OR SUPPLEMENT TO THE OFFERING CIRCULAR FOR ISSUANCE OF NOTES UNDER THE PROGRAMME IN RELIANCE OF RULE 144A IS MADE AVAILABLE BY THE ISSUER AND THE COMPANY, THE NOTES MAY BE OFFERED AND SOLD ONLY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S AND IN ACCORDANCE WITH ANY OTHER APPLICABLE LAW. BEARER NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND DISTRIBUTION OF THIS OFFERING CIRCULAR SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS".

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Conditions, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Product Governance under Directive 2014/65/EU (as amended) – The Pricing Supplement in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

Product Governance under UK MiFIR – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Programme is expected to be assigned a rating of "A+" by S&P. In addition, the Guarantor has been assigned a corporate rating of "A+" by S&P, "A1" by Moody's and "A" by Fitch Ratings, Inc. ("**Fitch**"). These ratings are only correct as of the date of this Offering Circular. Tranches of Notes (as defined in "Summary of the Programme") to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Arrangers and Dealers

ICBC International **ABC International** **Bank of China (Hong Kong)** **CITIC Securities**

Offering Circular dated June 4, 2025

NOTICE TO INVESTORS

Each of the Issuer and the Company, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Company, the Company and its subsidiaries (the "**Group**"), the Notes and the Guarantee, which is material in the context of the issue and offering of the Notes; (ii) the statements contained in this Offering Circular relating to the Issuer, the Company and the Group are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Company and the Group are honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Company, the Group, the Notes or the Guarantee, the omission of which would, in the context of the issue and offering of the Notes, make any statement, opinion or intention expressed in this Offering Circular misleading in any material respect; (v) the statistical, industry and market-related data included in this Offering Circular (if any), are based on or derived or extracted from sources which the Issuer and the Company believe to be accurate and reliable in all material respects; and (vi) all reasonable enquiries have been made by the Issuer and the Company to ascertain such facts and to verify the accuracy of all such information and statements. In addition, each of the Issuer and the Company accepts full responsibility for the accuracy of the information contained in this Offering Circular.

Each Tranche of Notes will be issued on the terms set out herein under the Conditions as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (the "**Pricing Supplement**"). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

This Offering Circular has been prepared by the Issuer and the Company solely for use in connection with the Programme. The distribution of this Offering Circular and any Pricing Supplement and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Company, the Joint Arrangers (the Arrangers referred to in "Summary of the Programme", each a "Joint Arranger") and the Dealers (as defined in "Summary of the Programme", each a "Dealer") to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including the United States, the European Economic Area, the United Kingdom, the People's Republic of China, the British Virgin Islands, Hong Kong, Japan and Singapore, to persons connected therewith. For a description of certain further restrictions on offers, sales and resale of the Notes and distribution of this Offering Circular or any Pricing Supplement, see "Subscription and Sale".

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPS/IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPS/IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme, each such offering, a "**CMI Offering**", including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer or the Company, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer or the Company, the CMI or the relevant group company. Prospective investors associated with the Issuer or the Company or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer or the Company, any OCs, relevant regulators and/or

any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Company, the Group, the Notes or the Guarantee other than as contained herein or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Company, the Joint Arrangers, the Dealers, the Trustee or the Agents (as defined in the Conditions). Neither the delivery of this Offering Circular or any Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Company, the Group or any of them since the date hereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or create any implication that the information contained herein is correct as of any date subsequent to the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented, or that any information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Company, the Joint Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers) to subscribe for or purchase any of the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The Issuer has submitted and will submit this Offering Circular confidentially to a limited number of institutional investors so that they can consider a purchase of the Notes. Neither the Issuer nor the Company has authorised its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, each investor agrees to these restrictions.

No representation or warranty, express or implied, is made or given by the Joint Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers) as to the accuracy, completeness or sufficiency of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Company in connection with the Programme, the Issuer, the Group, the Notes or the Guarantee and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers). None of the Joint Arrangers, the Dealers, the Trustee and the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers) has independently verified any of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Company in connection with the Programme, the Issuer, the Group, the Notes or the Guarantee and can give any assurance that such information is accurate, truthful or complete. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Note is intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Company, the Joint Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers) that any recipient of this Offering Circular should purchase

the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular, the other information supplied in connection with the Programme, the Issuer, the Group, the Guarantee or any Notes and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY OTHER PLACE. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERMS ARE DEFINED UNDER REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. UNLESS AN AMENDMENT OR SUPPLEMENT TO THE OFFERING CIRCULAR FOR ISSUANCE OF NOTES UNDER THE PROGRAMME IN RELIANCE OF RULE 144A IS MADE AVAILABLE BY THE ISSUER AND THE COMPANY, THE NOTES MAY BE OFFERED AND SOLD ONLY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S AND IN ACCORDANCE WITH ANY OTHER APPLICABLE LAW. BEARER NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND DISTRIBUTION OF THIS OFFERING CIRCULAR SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UP ON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR ANY PERSON(S) ACTING FOR IT) (THE "STABILISING MANAGER(S)") IN THE APPLICABLE PRICING SUPPLEMENT MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED TIME. ANY STABILISATION ACTION OR OVERALLOTMENT MUST BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in the Notes of a particular issue. Each potential purchaser of the Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of the Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment

considerations arising from an investment in an issue of the Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Each person receiving this Offering Circular acknowledges that such person has not relied on any Joint Arranger, any Dealer, the Trustee or any Agent or any person affiliated with any Joint Arranger, any Dealer, the Trustee or any Agent in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Joint Arrangers, the Dealers, the Trustee and the Agents accept any responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by the Joint Arrangers, the Dealers, the Trustee or the Agents or on its or their behalf in connection with the Issuer, the Company, the Group, the Programme, the issue and offering of the Notes or the Guarantee. Each of the Joint Arrangers, the Dealers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to the Issuer, the Company and the Group. The Issuer, the Company and the Group accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Listing of the Programme on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company or the Notes. In making an investment decision, investors must rely on their own examination of the Issuer, the Company and the terms of the offering, including the merits and risks involved. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes.

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CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

Unless otherwise specified or the context requires, all references herein to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China, to "**China**" or the "**PRC**" are to the People's Republic of China and for the purpose of this Offering Circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan Region and to "**U.S.**" are to the United States of America; all references to "**U.S. dollars**", "**USD**" or "**US$**" are to the lawful currency of the United States of America, to "**Renminbi**" or "**RMB**" are to the lawful currency of the PRC, to "**Sterling**", "**sterling**" or "**£**" are to the lawful currency of the United Kingdom, to "**euro**", "**EUR**" or "**€**" are to the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community and to "**Hong Kong dollars**", "**HKD**" or "**HK$**" are to the lawful currency of Hong Kong, as amended from time to time.

In this Offering Circular, unless otherwise specified, references to:

- the "**Issuer**" is to State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司 (formerly known as State Grid Overseas Investment (2016) Limited 国家电网海外投资(2016)有限公司);
- the "**Company**" is to State Grid Corporation of China;
- the "**Group**" are to the Company and its subsidiaries;
- a "**business day**" is a day that is not Saturday, Sunday or a public holiday in Mainland China and Hong Kong; and
- the terms "**associate**", "**subsidiary**" and "**substantial shareholder**" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

In this Offering Circular, where information has been presented in thousands or millions of units, or as percentages, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

Solely for the sake of convenience, this Offering Circular contains translations of certain RMB and HK$ amounts into US$ amounts. Unless indicated otherwise, the translation of RMB and HK$ amounts into US$ amounts has been made at the rate of (i) RMB6.9880 to US$1.00, RMB7.13150 to US$1.00 and RMB7.2980 to US$1.00 and (ii) HK$7.8038 to US$1.00, HK$7.8137 to US$1.00 and HK$7.7617 to US$1.00, respectively, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on December 30, 2022, 2023 and 2024, respectively. These translations should not be construed as representations that the RMB or HK$ amounts could actually be converted into any U.S. dollar amounts at the rates indicated or at all.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Company, the Joint Arrangers, the other Dealers, the Trustee, the Agents or their respective directors and advisors, and none of the Issuer, the Company, the Joint Arrangers, the other Dealers, the Trustee, the Agents and their respective directors and advisors make any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only.

Unless the context otherwise requires, references to "2022", "2023" and "2024" in this Offering Circular are to the financial years ended December 31, 2022, 2023 and 2024, respectively.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular are not historical facts and are "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. This Offering Circular may contain words such as "believe," "could," "may," "will," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "plan," "expect" and "anticipate" and similar expressions that are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. Particularly, statements under the captions "Summary," and "Business" relating to the following matters may include forward-looking statements:

- the anticipated demand for power transmission and distribution and electric power in general,
- projections of capital expenditures in general and other financial items,
- possible changes to on-grid tariffs and electricity sale prices,
- expected sales volume and generation of future receivables,
- government support and potential regulatory developments,
- the expected results of power grid operating activities and related capital expenditures and investments, and
- environmental compliance and remediation.

Such statements are subject to various risks and uncertainties, including, but not limited to:

- changes in global political, economic and social conditions,
- changes in economic and political conditions and increases in regulatory burdens in the PRC and other countries in which the Company operate, transact business or have interests,
- accidents and natural disasters,
- changes in levies or taxes, either in international markets or in the PRC,
- changes in laws, regulations, taxation or accounting standards or practices,
- currency, interest rate, price and credit risks,
- changes in tariffs, electricity sale prices or demand for electricity, both in the PRC and in international markets, as a result of competitive actions or economic factors, such as inflation or exchange rate fluctuations,
- the risks of the increasing expenditures and investments,
- uncertainty of technological change,
- the technical limitations of the Company's operation of power transmission and distribution,
- the ability of third parties to perform in accordance with contractual terms and specifications,
- acquisitions or divestitures,
- potential disputes with international and domestic joint venture partners, and

- other factors, including those discussed in "Risk Factors".

Forward-looking statements involve inherent risks and uncertainties. Should one or more of these or other uncertainties or risks materialize, actual results may vary materially from those estimated, anticipated or projected. Although the Company believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements and neither the Issuer nor the Company undertakes any obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

PRESENTATION OF FINANCIAL INFORMATION

The Company's consolidated income statement and balance sheet data for the years ended and as of December 31, 2022, 2023 and 2024 have been extracted from the consolidated financial statements audited by ShineWing Certified Public Accountants LLP ("**ShineWing**") and included elsewhere in this Offering Circular.

Such financial statements are prepared in accordance with the Basic Standard of Accounting Standards for Business Enterprises issued and modified by the Ministry of Finance of the PRC by its Order 33 and Order 76, respectively, and the 42 specific accounting standards issued on or after February 15, 2006 (as subsequently modified), Application Guidance of Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other regulations ("**PRC GAAP**"). PRC GAAP differs in certain material respects from U.S. GAAP. For a discussion of certain differences between PRC GAAP and U.S. GAAP, see "Description of Certain Differences Between PRC GAAP and U.S. GAAP."

According to certain policies promulgated by the PRC central and local governments, the Company has made retrospective adjustments to certain transactions and events, as well as the scope of consolidation, which have been reflected in the Company's consolidated financial statements for the years ended December 31, 2022, 2023 and 2024 included elsewhere in this Offering Circular. ShineWing included these adjusted figures in its audit reports for the Company's consolidated financial statements for these periods and issued unqualified audit opinions. Similar adjustments may be made to our historical financial statements when new auditor's reports are issued in the future.

Certain amounts and percentages included in this Offering Circular have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not exactly equal the total figure for that column.

DOCUMENTS INCORPORATED BY REFERENCE

Each of the Issuer and the Company hereby incorporates by reference (i) each Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements of the Company published from time to time after the date of this Offering Circular in each case in English and together with any audit or review reports prepared in connection therewith, and (iii) all amendments and supplements from time to time to this Offering Circular, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with the contents of this Offering Circular.

Any documents incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer set out at the end of this Offering Circular and the principal office of the Trustee specified below.

SUPPLEMENT TO THE OFFERING CIRCULAR

Each of the Issuer and the Company has given an undertaking to the Joint Arrangers and the Dealers that if it has notified the Joint Arrangers or the Dealers in writing that it intends to issue Notes under the Programme for the time being, and if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in the Offering Circular which is capable of affecting an assessment by investors of the assets and liabilities, financial condition, profits and losses, and prospects of the Issuer and/or of the rights attaching to the Notes, it shall (i) prepare and publish an amendment or supplement to the Offering Circular, (ii) advise the Joint Arrangers and the Dealers promptly of any proposal to amend or replace the Offering Circular, (iii) advise the Joint Arrangers and Dealers promptly of any proposal to supplement the Offering Circular and (iv) provide the Joint Arrangers and the Dealers with a copy of any such proposed amendment, supplement or replacement immediately prior to its publication.

AVAILABLE INFORMATION

The Issuer and the Company have agreed that, for so long as any Notes are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Issuer and the Company will during any period that they are neither subject to section 13 or 15(d) of the United States Securities and Exchange Act of 1934 (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any holder or beneficial owner of such restricted securities or any prospective purchaser designated by any such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

DEFINITIONS AND CONVENTIONS

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings. Certain technical terms are explained in "Glossary of Technical Terms" in this Offering Circular.

"**BVI**"	British Virgin Islands
"**CAGR**"	compound annual growth rate
"**central China**"	central part of China, which includes Hubei, Hunan, Henan and Jiangxi provinces
"**China**" or "**PRC**"	the People's Republic of China, and for the sole purpose of this Offering Circular and by reference to region, excluding Taiwan Region, the Macau Special Administrative Region of the PRC and Hong Kong
"**China Southern Power Grid**"	China Southern Power Grid Co., Ltd., a PRC state-owned enterprise
"**Company**", "**SGCC**", "**we**", "**our**" and "**us**"	State Grid Corporation of China, a PRC wholly state-owned limited liability company (unless the context indicate otherwise, including the subsidiaries of the Company)
"**east China**"	eastern part of China, which includes Shanghai, Jiangsu, Zhejiang, Anhui and Fujian provinces
"**GDP**"	gross domestic product
"**Group**"	State Grid Corporation of China and its subsidiaries
"**HK$**" or "**Hong Kong Dollar**"	the official currency of Hong Kong
"**HKSE**"	The Stock Exchange of Hong Kong Limited
"**Hong Kong**" or "**HK**"	the Hong Kong Special Administrative Region of the People's Republic of China
"**IMF**"	the International Monetary Fund
"**Issuer**"	State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司, a company with limited liability incorporated in the BVI
"**MOF**"	Ministry of Finance of the PRC
"**NAO**"	the National Audit Office of the PRC
"**NDRC**"	National Development and Reform Commission of the PRC
"**NEA**"	National Energy Administration of the PRC
"**north China**"	northern part of China, which includes Beijing, Tianjin, Hebei, Shaanxi and Shandong provinces

"**northeast China**"	northeastern part of China, which includes Liaoning, Jilin, Heilongjiang provinces and eastern Inner Mongolia
"**northwest China**".	northwestern part of China, which includes Shaanxi, Ningxia, Gansu, Qinghai provinces and Xinjiang
"**southwest China**".	southwestern part of China, which includes Sichuan province, Chongqing and Tibet
"**PBOC**"	the People's Bank of China, the central bank of the PRC
"**provinces**".	provinces and provincial-level autonomous regions and municipalities in China which are directly under the supervision of the central PRC government
"**RMB**" or "**Renminbi**" .	the official currency of the PRC
"**offshore Renminbi**" or "**CNH**"	Renminbi in circulation outside mainland China
"**Rules on Cross Border Guarantees**".	the Provisions on the Foreign Exchange Administration of Cross-border Guarantees and the Operating Guidelines for the Foreign Exchange Administration of Cross-border Guarantees promulgated by the SAFE on May 12, 2014
"**SAFE**"	the State Administration of Foreign Exchange of the PRC
"**SASAC**"	State-owned Assets Supervision and Administration Commission of the State Council
"**SAT**"	State Administration of Taxation of the PRC
"**SOE(s)**".	state-owned enterprise(s)
"**State Council**"	State Council of the PRC
"**US$**" or "**U.S. dollars**".	the official currency of the United States of America
"***%***"	per cent.

GLOSSARY OF TECHNICAL TERMS

"**AC**"	alternating current
"**DC**"	direct current
"**electricity prices**"	on-grid tariffs, electricity sale prices and transmission and distribution tariffs
"**EPC**"	a business model in which the contractor is responsible for the engineering, procurement and construction of a project
"**GIL**"	Gas-insulated Metal-enclosed Transmission Line, which uses gas for insulation, improving transmission capacity, reducing losses, enhancing reliability and reducing volume
"**GVA**"	gigavolt-ampere, a unit of power. 1 GVA = 1,000 MVA
"**GW**"	gigawatt, a unit of power. 1 GW = 1,000 MW
"**installed capacity**"	the rated output of power generating units, usually measured in MW
"**km**"	kilometer, a unit of length. 1 km = 1,000 m
"**kV**"	kilovolt, a unit of voltage. 1 kV = 1,000 volts
"**kWh**"	kilowatt-hour, a unit of energy. The standard unit of energy used in the electric power industry. One kilowatt hour is the amount of energy that would be produced by a power generator producing one thousand watts for one hour
"**MVA**"	megavolt-ampere, a unit of power. The capacity of a transmission line is generally measured in MVA
"**KVA**"	kilovolt-ampere, a unit of capacity for electrical equipment, such as transformers and electric motors. The capacity of a transformer is generally measured in KVA
"**MW**"	megawatt, a unit of power. 1 MW = 1,000 kilowatt. The capacity of a power project is generally measured in MW
"**TWh**"	terawatt-hour, a unit of energy. 1 TWh = 1 billion kWh
"**UHV**"	ultra-high voltage, 1,000 kV AC or ± 800 kV DC or above

SUMMARY

THE COMPANY

We were established as State Grid Corporation of China on December 29, 2002 in accordance with the Company Law of the PRC. We are a wholly state-owned company under the direct administration of the central government, with a registered capital of RMB1,304.52 billion. Our core business focuses on investment, construction and operation of power grids. We are a critical and large-scale state-owned key enterprise that plays a vital role in maintaining national energy security and supporting the lifeline of the national economy.

Our service area covers 26 provinces, autonomous regions, and centrally managed municipalities in China, reaches approximately 88 per cent. of the national territory and serves a population of over 1.1 billion.

Over the past years, we have maintained the world's longest safety record for its mega power grids, completed more than 30 ultra-high voltage transmission projects, and has the world's most powerful power transmission grid and the grid of largest scale of new energy connection. We have consistently ranked first among the Chinese central State-owned enterprises in terms of the number of patents owned. We ranked third in the "Fortune Global 500" in 2024. We were awarded Grade A in the performance appraisal of SASAC for 20 consecutive years. We have been assigned national sovereign level credit ratings by the three major international rating agencies (namely, S&P "A+", Moody's "A1", and Fitch "A") for 12 consecutive years. In addition, we ranked the first among "China's 500 Most Valuable Brands" for nine consecutive years, ranked the first among the Global Top 50 Utility Brands for seven consecutive years and we are the largest utility company worldwide. We are an innovative enterprise with industry-leading edge and international influence.

We believe our large-scale operation enables us to optimally allocate resources and to invest in the development and application of key technologies, which allow us to further stabilize our operation and enhance our ability to respond to any single policy changes and regional natural disasters. We prioritise the integration of clean energy across our entire grid and maximise the utilisation of pumped-storage units for peak load regulation. In 2024, we achieved an average comprehensive utilization of 2,729 hours for pumped-storage units connected to our grid.

We have expertise in the relevant core technologies and acquired the relevant equipment manufacturing capabilities in the fields of ultra-high voltage transmission, maintaining a world-leading position. Our UHV AC and DC demonstrative projects have recorded safe and stable operations of more than ten years, respectively, with substantial verification of the safety, economy and environmental friendliness of UHV power transmission technology. We have successfully invested in and participated in the operation of 13 energy network projects across 10 countries and regions, including the Philippines, Brazil, Portugal, Australia, Italy, Greece, Oman, Chile, Pakistan, and Hong Kong. We may also acquire additional overseas assets in the future.

We have established a corporate governance structure which comprises the board of directors and the senior management. According to this structure:

- our board of directors comprises nine directors, including four internal directors (including one employee director) and five external directors (with one position currently vacant); and

- our senior management comprises nine members, including one Chairman, one General Manager, one Deputy Secretary of the Party Group, one Chief Accountant, four Deputy General Managers, and one Head of the Discipline Inspection and Supervision Team stationed at the Company by the Central Commission for Discipline Inspection and the National Supervisory Commission (CCDI-NSC).

As of December 31, 2024, our power transmission lines of 110(66) kV and above had reached a total length of 1.32 million km, our power transformation (commutation) equipment of 110(66) kV and above had reached an aggregate capacity of 6.47 billion kVA/kW, and our grid-integrated generation capacity was approximately 2,630GW. In 2024, our inter-provincial power transaction volume reached 1,506.9TWh. As of December 31, 2024, our installed capacity of renewable energy power generation reached 1,460GW, representing 55.8 per cent. of the total installed capacity of power generation within our service area. Among that, the grid-connected capacity of new energy reached 1,140GW, the highest in the world.

For the three years ended December 31, 2022, 2023 and 2024, we sold 5.44 trillion kWh, 5.82 trillion kWh, and 6.24 trillion kWh of electricity, respectively. For the same periods, we recorded revenue of RMB3,573,242 million, RMB3,864,623 million and RMB3,945,928 million, respectively, and net profit of RMB59,672 million, RMB69,652 million and RMB77,298 million, respectively.

OUR STRENGTHS

- We are the largest utility corporation in the world and an integrated operator of power transmission, distribution, and sales.
- Our future development is driven by the growing PRC economy and power demand in China.
- We receive policy support from the PRC government.
- We are an innovative enterprise with world-leading power grid technology, having developed and implemented advanced technologies such as world-leading UHV technology, while maintaining an excellent safety record.
- We are an international power transmission and distribution enterprise with high-quality regulated transmission and distribution assets overseas.
- We have a management team with extensive industry experience and highly qualified employees.
- We practice the concept of green development.
- We maintain diversified financing channels and a strong financing capability.

BUSINESS STRATEGIES

We have established the strategic goal of becoming an "energy internet enterprise with Chinese characteristics and international leadership" to guide the Company's long-term development. Guided by the new energy security strategy of "Four Reforms and One Cooperation", we actively promote the construction of a new power system and a new energy system, providing safe, reliable, clean, economical, and sustainable electricity supply for economic and social development.

We remain committed to serving the people through electricity and strive for continuous improvement and excellence. We are dedicated to promoting high-quality development, building a world-class enterprise, and achieving leadership in core technologies, service quality, operational strength, corporate governance, green development, and brand value.

RECENT DEVELOPMENT

The Company has published its unaudited and unreviewed consolidated financial statements prepared in accordance with PRC GAAP as at and for the three months ended March 31, 2025 ("**2025 First Quarter Financial Information**"). These financial statements have only been prepared in Chinese and are available on the website of China Foreign Exchange Trade System at http://www.chinamoney.com.cn.

The Company's 2025 First Quarter Financial Information is not included in, and does not form part of, this Offering Circular. The 2025 First Quarter Financial Information has not been audited or reviewed by the Company's independent auditor or any other independent auditors. If audited or reviewed, such financial information may be subject to adjustments. Therefore, no representation or warranty, express or implied, is made or given by the Joint Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers) as to the accuracy, completeness or sufficiency of such financial statements or their sufficiency for an assessment of the financial condition, results of operations, or performance of the Company. Potential investors must exercise caution when using such data to evaluate the Company's business, financial condition and results of operations. Such unaudited and unreviewed consolidated financial information should not be taken as an indication of the expected business, financial condition, results of operations and results of the Company for the full financial year ended December 31, 2025.

For the three months ended March 31, 2025, the Company's total revenue slightly decreased compared to the same period in the previous year. However, operating profit and net profit both increased year-on-year. Net cash flow from operating activities decreased compared to the same period in the previous year, primarily due to an increase in cash payments for goods purchased and services received.

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the Conditions.

The Issuer	State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司.
Guarantor	State Grid Corporation of China.
Description	Guaranteed Medium Term Note Programme.
Size.	Up to US$15,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Arrangers	ICBC International Securities Limited, ABCI Capital Limited, Bank of China (Hong Kong) Limited and CLSA Limited
Dealers	ICBC International Securities Limited, ABCI Capital Limited, Bank of China (Hong Kong) Limited and CLSA Limited The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
The Guarantee.	On each Issue Date, the Notes being issued on that date will have the benefit of a Deed of Guarantee provided by the Guarantor. Pursuant to each Deed of Guarantee, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the relevant Notes and if any, the Receipts and Coupons relating to them, and the Trust Deed, as further described in Condition 3(b) of the Conditions. The Guarantor undertakes that it will file or cause to be filed with SAFE each Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security, so long as such rules are still in effect, use its best endeavours to complete the registration of the Deed of Guarantee with SAFE ("**Cross-border Security Registration**") and obtain a registration record from SAFE on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee.

Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see ''Subscription and Sale'') including the following restriction applicable at the date of this Offering Circular. Further restrictions may apply in connection with any particular Series or Tranches of Notes.
Trustee	The Bank of New York Mellon, London Branch.
Issuing and Paying Agent . .	The Bank of New York Mellon, London Branch.
CMU Lodging and Paying Agent, Registrar and Transfer Agent (in respect of CMU Notes)	The Bank of New York Mellon, Hong Kong Branch.
Calculation Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent (in respect of ICSD Notes)	The Bank of New York Mellon SA/NV, Luxembourg Branch.
DTC Paying Agent, Registrar and Transfer Agent (in respect of DTC Notes)	The Bank of New York Mellon.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a ''**Series**'') having one or more issue dates (each tranche within such Series, a ''**Tranche**'') and on terms otherwise identical (or identical other than in respect of the first payment of interest and/or the issue price), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Pricing Supplement.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes (as defined in the Conditions) may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	The Notes will be issued in bearer form (''**Bearer Notes**'') or in registered form (''**Registered Notes**''). Registered Notes will not be exchangeable for Bearer Notes and vice versa.

	Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary or sub-custodian for Euroclear, Clearstream and/or as the case may be, the CMU and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If TEFRA D is specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Registered Notes will be represented by registered Certificates; one definitive Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes sold to non-U.S. persons in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate. Registered Notes sold in the United States to QIBs within the meaning of Rule 144A will initially be represented by a Restricted Global Certificate.
Clearing Systems	Clearstream, Euroclear and the CMU for bearer notes, Clearstream, Euroclear, the CMU and DTC for Registered Notes and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealers.
Initial Delivery of Notes . . .	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, deposited with a sub-custodian for the Hong Kong Monetary Authority (the "**HKMA**") as operator of the CMU, or deposited with the Custodian for, and registered in the name of Cede & Co. as a nominee for DTC or deposited with a depositary or sub-custodian for any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies.	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer and the relevant Dealers.

Specified Denomination . . .	Notes will be in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement.
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Tranche. All such information will be set out in the relevant Pricing Supplement.
Fixed Rate Notes	Fixed interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: • on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series); or • by reference to EURIBOR, CNH HIBOR or HIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin; or • on such other basis as may be agreed between the Issuer and the relevant Dealer(s). Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes (as defined in the Conditions) may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in the Conditions) will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption and Redemption Amounts . . .	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or a Relevant Event or following an Event of Default as defined in the Conditions) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s). The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Optional Redemption	Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders to the extent (if at all) specified in the relevant Pricing Supplement.
Redemption for a Relevant Event	The terms of the Notes will contain a provision for the early redemption of the Notes at the option of the holders thereof upon the occurrence of a Relevant Event as further described in Condition 6(e) of the Conditions.
Redemption for Taxation Reasons	Notes may be redeemable at the Issuer's option prior to maturity for tax reasons as further described in Condition 6(c) of the Conditions.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Status of the Guarantee . . .	The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Certain Covenants	The Issuer and the Guarantor have covenanted in the Conditions, with certain exceptions, not to incur certain liens or consolidate, merge or sell their respective assets substantially as an entirety unless certain conditions are satisfied. See Condition 4 of the Conditions. The Notes and the Conditions do not otherwise restrict or limit the Guarantor's ability to incur additional indebtedness by itself or its subsidiaries or its ability to enter into transactions with, or to pay dividends or make other payments to, affiliates.
Events of Default	The Conditions will contain events of default provisions, including a cross-default provision, as described in Condition 10 of the Conditions.

Taxation	All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or the Guarantor, as the case may be, shall (except in certain circumstances as set out in Condition 8 of the Conditions) pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.
Ratings	The Programme is expected to be rated "A+" by S&P. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement and will not necessarily be the same as the ratings assigned to the Programme. In addition, the Guarantor has been assigned a corporate rating of "A+" by S&P, "A1" by Moody's and "A" by Fitch. These ratings are only correct as of the date of this Offering Circular. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Governing Law	The Notes, the Trust Deed, the Agency Agreement, the Deed of Guarantee and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Trust Deed, the Agency Agreement and the Deed of Guarantee.
Listing	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme, under which Notes may be issued during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. However, unlisted Notes and Notes to be listed on the Hong Kong Stock Exchange or to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, stock exchange or quotation system. Notes to be listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies).

Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, the PRC, Japan and the British Virgin Islands, see "Subscription and Sale" below. Bearer Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**"), unless (i) such Bearer Notes are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") or (ii) the Bearer Notes are issued in circumstances under which TEFRA is not applicable as set forth in the applicable terms for such Bearer Notes.
Transfer Restrictions	There are restrictions on the transfer of Notes sold pursuant to Regulation S under the Securities Act prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "Transfer Restrictions".
Issuer's Legal Entity Identifier (LEI) Code: . . .	3003006V8BHG5158QO96

SUMMARY FINANCIAL INFORMATION

The following summary historical consolidated income statement data for the years ended December 31, 2022, 2023 and 2024 and summary historical consolidated balance sheet data as of December 31, 2022, 2023 and 2024 have been derived from our audited consolidated financial statements included elsewhere in this Offering Circular, which has been audited by ShineWing Certified Public Accountants LLP.

You should read the summary financial information below in conjunction with our consolidated financial statements and related notes and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included elsewhere in this Offering Circular. Our consolidated financial statements are prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain respects from U.S. GAAP. See "*Description of Certain Differences between PRC GAAP and U.S. GAAP*." Our historical results do not necessarily indicate results expected for any future period.

CONSOLIDATED INCOME STATEMENT DATA

	Year Ended December 31,			
	2022	2023	2024	
	RMB	*RMB*	*RMB*	*US$*
			(in million)	
Revenue	3,573,242.15	3,864,623.16	3,945,928.33	540,686.26
Operating Costs	3,362,408.07	3,588,683.97	3,667,364.19	502,516.33
Taxes and Surcharges	12,172.81	15,817.30	16,358.14	2,241.46
Selling Expenses	2,966.01	4,584.85	4,418.95	605.50
General & Administrative Expenses	59,035.36	103,959.94	98,864.49	13,546.79
R&D Expenses	16,725.05	21,604.92	23,493.38	3,219.15
Financial Expenses	34,030.93	32,469.43	31,810.39	4,358.78
Impairment Loss on Asset ("-" for Losses)	-989.99	-1,459.18	-1,749.97	-239.79
Gains from Changes in Fair Value ("-" for Losses)	-2,032.62	-485.82	1,644.07	225.28
Investment Income ("-" for Losses)	23,726.80	17,632.48	21,635.19	2,964.54
Gains on Foreign Exchange	40.41	2.91	2.23	0.31
Gains from Asset Disposals	654.07	1,021.41	1,267.18	173.63
Operating Profit	88,201.28	96,810.23	109,396.48	14,989.93
Non-operating Income	9,361.86	12,561.14	10,226.75	1,401.31
Non-operating Expense	10,839.15	12,437.58	13,576.04	1,860.24
Profit Before Tax ("-" for Losses)	86,723.99	96,933.79	106,047.19	14,530.99
Income Tax Expenses	27,052.27	27,281.48	28,749.65	3,939.39
Net profit	59,671.72	69,652.31	77,297.54	10,591.61
Net Profit Attributable to Parent Company	55,783.31	64,253.65	72,274.48	9,903.33
Net Profit Attributable to Minority Shareholders	3,888.41	5,398.66	5,023.06	688.28

CONSOLIDATED BALANCE SHEET DATA

	As of December 31			
	2022	2023	2024	
	RMB	*RMB*	*RMB*	*US$*
			(in million)	
Total Current Assets	802,888.13	791,722.74	729,165.86	99,913.11
Total Non-current Assets	4,490,878.92	4,752,147.65	5,093,441.67	697,922.95
Total Assets	5,293,767.05	5,543,870.39	5,822,607.53	797,836.06
Total Current Liabilities	1,933,663.84	1,897,042.20	2,052,824.87	281,285.95
Total Non-current Liabilities	965,606.46	1,118,681.08	1,103,550.52	151,212.73
Total Liabilities	2,899,270.30	3,015,723.28	3,156,375.39	432,498.68
Total Equity Attributable to the Owners of Parent Company	2,304,702.55	2,430,769.63	2,568,325.30	351,921.80
Minority Interests	89,794.20	97,377.48	97,906.84	13,415.57
Total Equity	2,394,496.75	2,528,147.11	2,666,232.14	365,337.37
TOTAL LIABILITIES AND EQUITY	5,293,767.05	5,543,870.39	5,822,607.53	797,836.06

OTHER FINANCIAL DATA

	As of and for the Year Ended December 31,		
	2022	2023	2024
EBITDA[(1)] (RMB in millions)	476,366.06	513,495.40	541,025.42
EBITDA[(1)] (US$ in millions)	68,169.16	72,003.84	74,133.38
EBITDA Margin[(2)]	13.33%	13.29%	13.71%
Funds from Operations[(3)] (RMB in millions)	412,203.18	451,210.66	477,771.81
Total Interest-bearing Debt[(4)] (RMB in millions)	1,113,329.60	1,209,796.53	1,349,337.02
Net Interest-bearing Debt[(5)] (RMB in millions)	994,403.63	1,111,250.28	1,279,487.25
Total Interest-bearing Debt/EBITDA	2.34	2.36	2.49
Net Interest-bearing Debt/EBITDA	2.09	2.16	2.36
EBITDA/Interest[(6)]	13.24	14.30	14.35
Total Interest-bearing Debt/Total Capital[(7)]	31.74%	32.37%	33.60%
Cash/Short-term Borrowings	36.18%	36.09%	13.61%
Fund from Operations/Total Interest-bearing Debt	37.02%	37.30%	35.41%

Notes:

(1) EBITDA at any time is calculated as profit before tax, after adjusting for financial expenses, depreciation, depletion and amortization and investment income/(losses). EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of the Company's operating performance, solvency, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, the Company believes that investors should consider, among other things, the components of EBITDA such as selling expenses and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. The Company has included EBITDA because it believes that it is a useful supplement to the cash flow data as a measure of the Company's performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Company's EBITDA to EBITDA presented by other companies because not all companies use the same definitions. EBITDA = operating profit + financial expenses + depreciation, depletion and amortization – investment income/(losses).

(2) EBITDA margin = EBITDA/revenue.

(3) Funds from operations = EBITDA – financial expense – income tax expense – capitalized interest expense.

(4) Total interest-bearing debt = short-term borrowings + long-term borrowings + long-term debt due within one year + bonds payable. Total interest-bearing debt does not include payables to our subsidiaries.

(5) Net interest-bearing debt = total interest-bearing debt – cash.

(6) Interest = interest expenses + capitalized interests.

(7) Total capital = total interest-bearing debt + total owners' equity.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our operations may be affected by global and domestic economic conditions.

Our business, results of operations and financial condition are materially affected by economic conditions in China and globally. The outlook for the world economy and financial markets remains uncertain. The Russo-Ukrainian conflict and the conflict in Israel and Gaza have led to significant volatility in the global markets. The extent and duration of such conflicts, resulting sanctions and future market disruptions are impossible to predict, but could be significant and may have a material adverse effect on the global economy, including a significant negative impact on the economy and the markets for certain securities and commodities, such as oil and natural gas, as well as certain foods including grain, and on global economies. In Europe, several countries continue to face difficulties surrounding sovereign debt. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. In early 2023, the global financial markets have experienced further turmoil with the collapse of certain financial institutions, which has resulted in tightened credit standards, reduced capital investment and higher uncertainty in the global macroeconomic environment. In particular, the latest escalating trade dispute in 2025 between the United States and other major economies, including China, could result in significant adverse impacts, including a slowdown in global economic growth, higher inflation, reduced trade flows and business investment, and downside risks for equity, bond, and commodity prices.

Our results of operations may be adversely affected by changes in general economic conditions in China. A large majority of our revenue is derived from power sales in the PRC. We rely on domestic demand for electric power to achieve revenue growth. Domestic demand for electric power is materially affected by industrial development, growth of private consumption and overall economic growth in the PRC. The power generation sector in China is significantly influenced by China's economic conditions and the economic measures undertaken by the PRC Government. In recent years, China's economic growth has become more moderate as compared to its previous growth rate. Although the PRC Government has recently taken several measures and actions with the aim of increasing investors' confidence in the PRC economy, there can be no assurance that those measures will be effective. If the PRC's economic growth slows down or if the PRC economy experiences a recession, the growth of power demand may also slow down or stop, and our business prospects may be materially and adversely affected.

Historically, our results of operations and business growth have benefited from the economic growth and industrialisation in China, which have led to increased business prosperity across the power generation sector. Demand for our electricity could be affected by numerous factors, many of which are beyond its control, including but not limited to:

- an economic downturn in China or any regional market in China;
- economic policies and initiatives undertaken by the PRC Government; and
- changes in the PRC or regional business or regulatory environment affecting the power generation sector.

The PRC Government has, from time to time, adjusted its monetary, fiscal and other policies and measures to ensure stable economic growth and to reduce overcapacity in certain industries or markets. As a result, the global as well as China's economy and the particular industry in which the Group operates or which it serves may grow at a pace slower than expected or even experience a downturn. Any adverse change in the global and Chinese economic conditions or government policies could have a

material adverse effect on the overall economic growth and the level of investment and expenditure, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We are subject to government regulation on various aspects of our business and operations.

Similar to electric power grid companies in other countries, we are subject to governmental regulations in virtually all aspects of our business and operations, including the amount and quality of electricity transmission and distribution, the setting of on-grid tariffs, transmission and distribution tariffs and electricity sales prices, the construction of new transmission and distribution projects and environmental protection. There can be no assurance that these regulations will not change in the future in a manner which could adversely affect our business and operations. They could also affect our ability to do business in our existing and target markets and could have an adverse effect on our financial condition and results of operations.

In the future, the PRC government may continue to reform the domestic power industry through promulgation and implementation of new laws, regulations and policies. According to the Opinions on the Further Deepening of the Electric Power System Reform (Document No. 9 [2015]) promulgated by the State Council and other relevant regulations, electric power pricing reform is being carried out. Government pricing in the future will be limited mainly to key public utilities, public welfare services and natural monopolies of a grid nature. Through gradual transformation, electric power transmission and distribution tariffs will be determined by the government based on the type of customers and the voltage level under the principle of "approved costs plus reasonable returns." On-grid tariffs of electric power generation companies participating in electronic power market transactions will be determined through negotiation and market competition between end users or entities engaged in the sale of electric power on the one hand and electric power generation companies on the other. The PRC government has since promulgated a series of regulations to facilitate the transmission and distribution tariffs reform and establish a tariff system of transmission and distribution price covering the newly added distribution grid, provincial grid, regional grid, cross-region grid and other grid levels. Through these regulations, the PRC government clarified that the aim of the transmission and distribution tariffs reform is to establish a tariff system with clear rules, reasonable tariff levels and strong supervision, which should be scientific and transparent. The PRC government emphasizes the establishment of the framework to reform and regulate operational models of power grids, encourage enterprises to improve management, reduce costs and increase efficiency, and safeguard the normal and reasonable investment, operation and maintenance of grid enterprises. As the reform continues, the government pricing authority has gradually placed and may further place regulatory pressure on adjusting the permitted yield of grid enterprises, controlling the cost of transmission and distribution, and improving the efficiency of asset management etc. The reform process creates an opportunity for refined management and innovative development, but it may also have certain impact on our business, operating performance and financial condition.

Specifically, a particularly important aspect of our business which is strictly regulated by the Chinese government is the tariff. At present, as the benchmark tariff system of the power generation side is replaced by the market-based tariff mechanism of "benchmark price + volatility", NDRC's focus of pricing mechanism for tariff has shifted to the transmission and distribution tariff. The previous linkage mechanism based on policy adjustment between the on-grid tariffs and the sales tariffs was gradually replaced by a scientific and independent mechanism to ratify transmission and distribution tariff, and a market-oriented pricing mechanism that promotes the formation of market-oriented tariff at both ends, that is, power generation and sale. Accordingly, the risk of fluctuations in the difference of purchase and sale prices is expected to be significantly reduced, and the revenue from transmission and distribution of electricity is expected to be further stabilized.

The cyclical fluctuations in coal prices may adversely affect our operations.

A majority of the power plants that provide us with power generation are thermal power plants. Companies that own power plants usually have agreements with coal suppliers but, notwithstanding these agreements, there is no assurance that these companies can avoid any disruption in, unavailability of, or changes to the commercial terms of, their coal supply. Delivery disruptions could occur for a variety of reasons, including transportation bottlenecks, accidents and natural disasters. If the power generation companies upon whom we rely for our power supply experience such disruptions, then their supply of power to us would be affected, which could have a material adverse effect on our business, financial condition and results of operations.

Further, the coal supply business and its operating performance are subject to fluctuations in thermal coal prices in the PRC market and are determined by factors influencing such price movements, including regional and national supply and demand for thermal coal, regulations and policies introduced by the PRC government, and overall economic conditions. In 2021, the surge in coal prices significantly narrowed the profit margins of PRC power generation companies. To regulate the price transmission mechanism in the coal-fired power sector, the NDRC issued the Notice on Further Deepening the Market-oriented Reform of the On-grid Tariff of Coal-fired Power Generation (《關於進一步深化燃煤發電上網電價市場化改革的通知》), which permits power generation enterprises to enter into sales contracts with users or power supply companies, setting the market trading price of coal-fired power to fluctuate up or down by no more than 20 per cent. based on the benchmark on-grid tariff.

In 2023, the NDRC and the National Energy Administration jointly issued the Notice on Establishing a Coal Power Capacity Pricing Mechanism (《關於建立煤電容量電價機制的通知》). This mechanism stipulates that the capacity tariffs for coal-fired power are calculated based on the recovery of a certain proportion of the fixed costs of compliant and operational coal-fired power units. The fixed costs for such units, used to calculate capacity tariffs, are set at a unified national standard of RMB330 per kilowatt per year. The proportion of fixed costs recovered through capacity tariffs is determined by taking into account regional power system requirements and the progress of coal power transformation. For 2024 to 2025, the proportion is set at approximately 30 per cent. in most regions, while regions with accelerated coal power transformation may have a higher proportion of around 50 per cent. Starting from 2026, the proportion of fixed costs recovered through capacity tariffs across all regions is required to be no less than 50 per cent. However, the specific implementation of the above mechanisms remains uncertain.

We are required to provide grid connection services for renewable energy producers, which may lead to additional costs.

Renewable energy primarily includes hydropower, wind power, and solar power. As of the end of 2022, 2023, and 2024, the total installed capacity of these renewable energy sources connected to our grid was approximately 890GW, 1,100GW, and 1,420GW, respectively. During the same periods, the on-grid electricity generated from these renewable energy sources was approximately 1.8 trillion kWh, 2.0 trillion kWh, and 2.3 trillion kWh, respectively.

The Renewable Energy Law requires grid companies to strengthen grid construction and provide grid connection services for renewable energy generation. The Measures for Regulating the Guaranteed Full Purchase of Renewable Electricity (《全額保障性收購可再生能源電量監管辦法》) state that grid companies must bear liability for compensation if they fail to construct or complete the connection infrastructure for renewable energy projects as required or fail to provide or promptly provide grid services for renewable energy generation. With the large-scale development of renewable energy, we may face increasing pressure to meet the demand for grid connection services.

The comprehensive market integration of renewable energy may have a negative impact on our business.

In January 2025, the NDRC and the National Energy Administration issued the Notice on Deepening the Market-oriented Reform of Renewable Energy Grid Tariffs to Promote High-quality Development of Renewable Energy (《關於深化新能源上網電價市場化改革促進新能源高品質發展的通知》). This policy calls for the establishment of a differential settlement mechanism and mandates the full market integration of renewable energy, requiring comprehensive enforcement of market rules and the assumption of balancing responsibilities by renewable energy producers. The policy specifically requires distributed photovoltaic ("**PV**") systems to fully participate in the spot market. As of the end of 2024, the number of distributed PV projects connected to the grid within our operating area exceeded 7 million. This will require significant efforts to upgrade metering equipment, increase the frequency and efficiency of data collection, and address heightened risks of inaccurate metering. Following the full market integration of renewable energy, oversupply in certain regions may lead to a potential decline in renewable energy grid tariffs, which could adversely affect our revenue.

Grid disturbances or failures could adversely affect our service performance evaluations and financial condition.

Grid disturbances can arise when serious imbalances exist between power being delivered to and power being removed from the transmission system, or when there are failures or substandard performance of power equipment. Long-lasting or repeated disturbances could cause blackouts in affected areas, interfering with industrial production, municipal functions and other activities that depend on reliable power supply. Although we have a strong power dispatch system the operation of which is backed up by laws and regulations, employ measures such as modernized operations and maintenance, user load control and automated safety devices to avoid grid disturbances, such measures do not guarantee that disturbances will not occur. Disturbances may adversely affect our service performance evaluations as a transmission service provider, lead to decreases in revenue and potentially lead to disputes and claims for damages, which may in turn have a material and adverse effect on our financial condition and results of operations.

The construction of new transmission projects is subject to a number of contingencies, which may lead to delays and cost overruns.

We are regularly upgrading and expanding our transmission network to meet increased demand. Our transmission projects typically require substantial capital outlays and time before the commencement of commercial operations. We generally begin generating a return on our investment in the transmission project after the commencement of commercial operation, which may however be delayed due to various reasons.

Our new power grid projects are subject to prior approval from, among other regulatory authorities, the NDRC. There can be no assurance that the approval process will not be protracted or subject to more stringent regulatory standards than we may anticipate. The construction of a power grid project involves many risks, including shortages of materials, equipment or labor, accidents, adverse weather conditions, natural disasters, delays caused by unforeseeable problems in relation to geological conditions, engineering and environmental protection, planning adjustments and policy changes, and other unforeseeable problems and circumstances. Any of these factors may lead to delays and cost overruns in our projects. Delays may result in reductions to our revenue, and may cause disputes with power generation companies or customers due to our not being able to provide power grid connection services on a timely basis. In addition, any failure to complete the construction according to applicable standards may increase liabilities reduce the efficiency of the power grid constructed, increase operational costs and reduce profit. We cannot assure you that future power grid projects will be completed on time or within budget.

The third-party contractors that we engage may fail to fulfil their contractual obligations.

Many of our power grid projects are dependent on the availability of competent external contractors for equipment manufacturing and construction. We select contractors in accordance with applicable laws and regulations, and endeavor to ensure that our contractors have the necessary capabilities to carry out the relevant contracts. However, there can be no assurance that the performance of external contractors will always meet our terms and conditions or performance parameters. If the performance of contractors fails to meet our requirements, this could result in incremental cost and time overruns which in turn could adversely affect our new projects. In addition, we may be subject to fines and other penalties due to the failure of contractors to comply with applicable laws and regulations relating to project construction. Although our contractors furnish performance guarantees for contract execution, there can be no assurance that, in the event of poor execution of contracts, we would always be able to enforce the performance guarantees from these contractors.

Further, with the continued growth of the PRC economy, power grid construction remains active, while the availability of qualified construction companies may be limited. If we are not able to engage competent contractors for our projects on a timely basis, or on terms that provide for the timely and cost-effective execution of the project, our projects may be delayed and our returns on those projects may be affected.

Our business involves various risks, some of which are beyond our control, and we may not have sufficient insurance to cover our economic losses.

Our operations are subject to a number of risks generally associated with the transmission and distribution of electricity. These risks include damage to facilities, property and equipment due to explosions, fires, earthquakes and other natural disasters, breakdowns, failures or substandard performance of equipment, accidents, acts of terrorism and transportation interruptions. These risks can cause personal injury and loss of life and damage to, or the destruction of, property and equipment, and may result in the limitation or interruption of our business operations and the imposition of civil or criminal liabilities. We may also face civil liabilities or fines in the ordinary course of business as a result of damages suffered by third parties, which may require us to make compensation payments in accordance with applicable laws.

In accordance with what we understand to be industry practice in the PRC, while we believe our insurance coverage to be commensurate with our business structure, risk profile and industry practice in the PRC, there is no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future. If we were to incur a serious uninsured loss or a loss that significantly exceeded the limits of our insurance policies, it could have a material adverse effect on our business, financial condition and results of operations.

If we fail to timely adapt to technological changes, our power transmission and distribution operations may be adversely affected.

Our future success depends in part on our ability to respond to technological changes on a cost-effective and timely basis. However, there is no assurance that our investment will always be adequate, that our research and development initiatives will always be successful, or that we will always satisfy market demands for technological innovation. In addition, the development and implementation of new technology entails significant technical and commercial risks. There can be no assurance that we will always implement new technologies successfully or generate satisfactory return on our investments. If we are unable to adapt in a timely manner to new technological developments for technical, financial or other reasons, our business and results of operations could be adversely affected.

We may have significant financing needs to support our planned capital expenditure. If we are unable to obtain adequate funding due to market or policy factors, our investment activities and debt servicing and repayment could be adversely affected.

Going forward, we plan to continue to incur significant capital expenditure, mainly for the construction of power transmission and distribution projects in China. In the past, we satisfied our financing needs through bank loans and domestic and offshore bond issues. During the year ended December 31, 2024, we issued domestic bonds with an aggregate principal of approximately RMB315,662 million and offshore bonds equivalent to RMB10,784 million. However, there can be no assurance that we will be able to obtain future financing in a timely manner and on favorable terms, or at all, while maintaining a favorable credit rating. Our ability to obtain external financing in the future is subject to certain uncertainties, including (i) our future financial condition, results of operations and cash flows; and (ii) the general condition of the global and domestic financial markets and changes in the monetary policy of PRC government with respect to bank interest rates and lending policies. Future debt financing, if available, may result in increased financing charges, increased financial leverage and decreased income available to fund future projects. If we fail to generate or obtain sufficient additional capital in the future, we could be forced to reduce or delay our planned projects or other capital expenditure.

Future fluctuations in foreign exchange rates may adversely affect our business, financial condition and results of operations.

While we conduct substantially all of our business operations in the PRC and most of our revenue is denominated in Renminbi, we also derive revenues denominated in foreign currencies, such as from our overseas investments and our provision of engineering and technological services overseas, and we may convert Renminbi into foreign currencies to make investments and acquisitions overseas. A portion of our revenue, expenses and bank borrowings are denominated in foreign currencies, and the payment of the principal and interests on the Notes will be in Renminbi and/or U.S. dollars and/or EUR. As a result, fluctuations in exchange rates, particularly between the Renminbi, the Hong Kong dollar, the U.S. dollar or the EUR could affect our profitability and may result in foreign currency exchange losses of our foreign currency-denominated assets and liabilities. Any depreciation of RMB may adversely affect the value of our net assets and earnings in foreign currency terms, as well as our ability to service our foreign currency obligations including the payment of the principal and interests on the Notes.

The exchange rate of the Renminbi against the U.S. dollar and other currencies fluctuates and is influenced by domestic and international political and economic conditions, as well as changes in the fiscal and monetary policies of the Chinese government. The Renminbi exchange rate is also subject to the impact of domestic and international economic policies, market expectations, and the overall global financial environment. In recent years, such factors have contributed to significant volatility in the Renminbi exchange rate. In 2022, the Renminbi underwent a one-sided depreciation, with the exchange rate against the U.S. dollar weakening from approximately 6.30 to a range of 6.95-7.00 for the year, reflecting a depreciation of approximately 8 per cent. to 9 per cent. over the period. In 2023, the Renminbi experienced wider fluctuations, with its exchange rate fluctuating within the 6.70-7.35 band, marking an increase in volatility compared to 2022. In 2024, volatility in the Renminbi exchange rate has intensified. In the first half of the year, the Renminbi traded within the 7.10-7.25 range, driven by market expectations that the U.S. Federal Reserve would delay interest rate cuts. In the second half of the year, heightened U.S.-China interest rate differentials and significant global geopolitical uncertainties resulted in the Renminbi weakening further, with the exchange rate approaching 7.30 against the U.S. dollar. The People's Bank of China intervened to stabilise market expectations, employing measures such as central parity rate guidance and foreign exchange intervention. Should the Renminbi strengthen in the future, similar magnitudes of exchange rate fluctuations could result in foreign exchange losses. Conversely, should the U.S. Federal Reserve maintain high interest rates or implement further rate hikes, the U.S. dollar could stay strong, placing additional downward pressure on the Renminbi. Prolonged depreciation of the Renminbi may increase repayment obligations for U.S. dollar-denominated debt, including principal and interest payments, exacerbating pressures on liquidity and financial stability.

In addition, we have established rules for the administration of foreign currency hedging and carried out pilot exercises in currency swap and interest rate swap to mitigate currency and interest rate risks of certain of our loans denominated in foreign currencies. In line with the development of our overseas businesses, we intend to continue to prudently carry out hedging activities. However, as our overseas activities involve a number of currencies, and the exchange rate fluctuations of some of those currencies are comparably more volatile, we will still be exposed to certain foreign exchange risks, which may have an adverse impact on our business, financial condition and results of operations.

We recorded net current liabilities in recent years.

We recorded net current liabilities in recent years. As of December 31, 2022, 2023 and 2024, we had net current liabilities of RMB1,130,775.71 million, RMB1,105,319.46 million and RMB1,323,659.01 million, respectively. We may record net current liabilities in the future. The degree to which the Group in leveraged and the high level of net current liabilities could constrain its operational flexibilities and have significant consequences, including (i) limiting our ability to repay its outstanding debt; (ii) requiring a substantial portion of our cash flows from operations to be used for servicing its debt, thereby reducing the cash flow for working capital, capital expenditure or other general corporate uses; (iii) making the Group more vulnerable to adverse general economic and industry conditions, and increasing its exposure to interest rate fluctuations; (iv) limiting our ability to obtain, and increasing the cost of, additional financing to fund future working capital, capital expenditures or general corporate uses; (v) limiting our flexibility in planning for or reacting to the changes in its businesses and the industry; and (vi) causing the Group to be less competitive compared with its competitors that have less debt. Our net current liabilities position exposes us to liquidity risk. We cannot assure you that we will always be able to raise sufficient funds on favourable commercial terms to refinance our short-term borrowings upon maturity.

Natural calamities, public health epidemics and other acts of God could adversely affect our business.

Our business may be affected by natural calamities, epidemics and other acts of God which are beyond our control. Outbreak of any widespread public health problem, such as Severe Acute Respiratory Syndrome, avian influenza, H1N1 and H7N9 influenza, Middle East Respiratory Syndrome (MERS), Ebola virus disease or, more recently, corona virus of 2019, could negatively affect our business, financial condition and results of operations. Our operations may be affected by a number of health-related factors, including quarantines of our facilities and employees and travel restrictions.

Our business operations are also subject to risk arising from natural calamities, such as earthquakes, floods, droughts, extreme rain, snow and freezing weather, and typhoons. We take precautions in the design, construction and operation of power plants, but there can be no assurance that natural disasters or other circumstances such as system failure, equipment malfunction, risks currently unknown or human errors, will not result in any accident or business interruption. Safety measures were incorporated into the design of our facilities and sites and we have taken protective measures. Nonetheless, like any safety measures intended to counter an external threat, there can be no assurance that these will prove fully effective in all cases.

If an accident were to occur at one or more of our facilities, whether caused by natural disasters or other reason, our business may be interrupted, and we may also be liable for casualties, property loss, environmental contamination or other damages caused or may be subject to investigations, legal proceedings and claims in relation to such accident. Accidents caused by any natural disasters or other factors may result in various serious damages, and other parties may attempt to make us liable for such events for the reason that the protective measures taken by us are not sufficient, which may have a material and adverse effect on our business, results of operations and financial condition.

Our operations are subject to various legal and regulatory risks.

Our operations are subject to various legal and regulatory risks, including but not limited to risks relating to those associated with regulatory compliance, litigation and other legal proceedings, fraud, corruption or other misconduct by employees and third parties, and relocation of incumbent residents. In particular, we are subject to environmental, health and safety regulations in the PRC. The PRC central and local governments may take steps towards the adoption of more stringent environmental, health and safety laws and regulations. In April 2016, China has signed the Paris Agreement, a global agreement on the reduction of climate change, by which it has committed to peak its CO_2 emissions around 2030 and to make best efforts to peak earlier, and to increase non-fossil energy to approximately 25 per cent. of its energy consumption around 2030. In particular, the PRC government is moving towards more rigorous enforcement of applicable environmental laws and regulations and the adoption of more stringent environmental standards. For example, these regulations may require us to further limit any adverse impact or potential adverse impact on the environment or the health and safety of our employees, in which case we may need to incur additional capital expenditures.

In addition, any violation of these laws and regulations, whether or not accidental, may result in material regulatory sanctions, including but not limited to significant monetary penalties. Our costs of complying with current and future laws, our liabilities arising from failure to comply with applicable legal and regulatory requirements and any exposure to legal and regulatory proceedings may adversely affect our business, financial condition and results of operations.

Our business benefits from certain PRC government favorable tax treatment. Expiration of, or changes to the favorable tax treatment could adversely affect our operating results.

Under the Enterprise Income Tax Law ("**EIT Law**", which took effect on January 1, 2008 and which was amended on February 24, 2017), a uniform 25 per cent. EIT rate is generally applied to all types of enterprises, except where a specific preferential rate applies. PRC tax laws and regulations provide certain preferential tax treatments to different enterprises, industries and locations. Some of our subsidiaries enjoyed, or are currently enjoying, preferential tax treatments applicable to enterprises that are: (i) established in the western region of the PRC, (ii) relevant to internal assistance fund expenditures paid by our provincial-level subsidiaries to other provincial-level subsidiaries in respect of power grid construction and transformation and operational maintenance for purposes of poverty alleviation, and (iii) engaged in public infrastructure projects that meet the criteria under the "Corporate Income Tax Preferential Catalogue for Public Infrastructure Projects". These preferential tax treatments will expire in accordance with the applicable PRC laws and regulations and are also subject to changes as may be required by PRC laws and regulations. We also receive government grants and subsidies for our research activities.

Our effective income tax rate fluctuates as the preferential tax treatment for its various subsidiaries commences and expires at different times. Any change or elimination of such preferential tax treatments may materially and adversely affect our results of operations and financial condition. There can be no assurance that the current favourable policies or the various incentives available to us will not be withdrawn or revoked by the PRC Government. If the favourable government policies and incentives are reduced or are no longer available in the future, our results of operations in the future may be materially and adversely affected.

Our overseas businesses are exposed to political, economic, regulatory and legal risks.

As at the date of this Offering Circular, we have established international operations in 45 countries and regions worldwide. We have successfully invested in and participated in the operation of 13 energy network projects across 10 countries and regions, including the Philippines, Brazil, Portugal, Australia, Italy, Greece, Oman, Chile, Pakistan, and Hong Kong. We may also acquire additional overseas assets in the future. We carry out our overseas operations within the political, legal and regulatory environments in the relevant overseas countries and regions, some of which differ in certain significant respects from those prevailing in the PRC, and it may take time to adapt to such environments. The laws, regulations

and policies of such countries and regions are subject to changes due to political and economic uncertainties, which may have a negative impact on our overseas operations, and may subject us to expropriation or deprivation of assets or contract rights. Our overseas operations may also be subject to interruptions from war or civil strife, exchange rate fluctuations and other factors, and we may encounter difficulties due to potential incompatibility with our joint venture partners.

Regulatory policies in the foreign countries or regions in which we operate may require us to, among other things, obtain relevant licenses or permits in order to bid on contracts or conduct operations or enter into a consortium arrangement, a joint venture, an agency agreement or similar commercial arrangement with local businesses in order to conduct business in those countries or regions. These laws and regulations may also encourage or require us to hire local contractors, employ citizens of, or purchase supplies from within, the relevant country. In addition, we may become involved in proceedings with regulatory authorities that may require us to pay fines or comply with more rigorous standards or other requirements, and bear the capital and operating expenses arising therefrom.

In order to facilitate the stable operation of our overseas business, some of our full time and casual employees are located in countries or regions where we have business operations. We must overcome cultural and language barriers and adapt to local business practices. If a local joint venture partner is involved in environmental or other controversies, our reputation may also be affected. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws and customs of different jurisdictions. Our failure to successfully apply differentiation in management of businesses based on geographical characteristics could impair the stable operation of our overseas business.

RISKS RELATING TO THE PRC

Changes in China's economic, political and social conditions as well as governmental policies could affect our financial condition and results of operations.

We are a wholly state-owned enterprise established in accordance with the Company Law of the PRC, and the SASAC performs the duties of the investor. The majority of our business, assets and operations are located in China. China's economy differs from the economies of most developed countries in many respects, including the structure of economy, level of government involvement, level of development, growth rate, control of capital investment, control of foreign currency and allocation of resources. We cannot assure you that decisions made by the PRC government or our ultimate shareholders will be aligned with the interests of the Noteholders.

Over the past four decades, the PRC government has continuously advanced economic system reforms, emphasising the decisive role of the market in resource allocation. However, the PRC government still maintains significant influence over economic activities through measures such as industrial development planning, resource allocation, production management, and price controls.

The PRC government authorities from time to time implement various macro-economic and other policies and measures, including contractionary or expansionary policies and measures at times of or in anticipation of changes in China's economic conditions, with an overall aim to sustaining economic stability and utilizing new sources of economic growth. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country, as economic reform is a developing process. As a result, we may not be able to continue to benefit from such measures. In addition, it cannot be accurately predicted whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on our current or future business, financial condition and results of operations.

The PRC legal system continues to rapidly evolve.

The PRC legal system is based on a codified civil law framework. Numerous laws and regulations, as well as the legal system as a whole, are continuously evolving and may be subject to change at any time. The future development of the PRC legal system, particularly in the power industry, including the introduction of new laws, amendments to existing laws, changes in their interpretation and enforcement, as well as the replacement of local regulations by national laws, may have a material and adverse effect on our business. Furthermore, legal proceedings in the jurisdictions where we operate may be prolonged and result in increased costs, as well as necessitate the reallocation of our resources and a shift in management focus.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

Risks Relating to the Notes and the Guarantee

The Notes will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer, and effectively subordinated to the Issuer's and the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness.

The Notes will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer whether or not secured. The Notes will not be guaranteed by any of the Issuer's and the Guarantor's subsidiaries, and the Issuer and the Guarantor may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer and the Guarantor is subject to various restrictions under applicable law. Each of the Issuer's and the Guarantor's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes or make any funds available therefore, whether by dividends, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganization will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the Guarantor are creditors of that subsidiary). Consequently, the Notes will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Issuer's and the Guarantor's subsidiaries, other than the Issuer, and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The Notes are the Issuer's and the Guarantor's unsecured obligations and will (i) rank equally in right of payment with all the Issuer's and the Guarantor's other present and future senior unsecured indebtedness; (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's and the Guarantor's present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to investors rateably with all of the Issuer's and the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid. As at December 31, 2024, the Issuer does not have any subsidiaries.

The Notes and the Guarantee are unsecured obligations.

As the Notes and the Guarantee are unsecured obligations, the repayment of the Notes and the payment under Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or

- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Notes.

The Issuer or the Guarantor may not be able to redeem the Notes upon the due date for redemption thereof.

Following the occurrence of a Relevant Event (as defined in the Conditions), the Issuer may, at the option of any Noteholder, be required to redeem all, but not some only, of such holder's Notes at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with accrued interest. If such an event were to occur, the Issuer or the Guarantor may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. There is also no assurance that the Issuer or the Guarantor would have sufficient liquidity at such time to make the required redemption of the Notes. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. The Issuer's and the Guarantor's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under the Notes, which may also constitute a default under the terms of the Issuer's, the Guarantor's or the Group's other indebtedness.

If the Issuer, the Guarantor or members of the Group are unable to comply with the restrictions and covenants in their debt agreements (if any), or the Notes, there could be a default under the terms of these agreements, or the Notes, which could cause repayment of their debt to be accelerated.

If the Issuer, the Guarantor or members of the Group are unable to comply with the restrictions and covenants in the Notes, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, the Guarantor or members of the Group, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of such debt agreements contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer the Guarantor or members of the Group under one debt agreement may cause the acceleration of repayment of debt, including the Notes, or result in a default under their other debt agreements, including the Notes. If any of these events occur, there can be no assurance that our assets and cash flows would be sufficient to repay in full all of such indebtedness, or that it would be able to find alternative financing. Even if the Group could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer.

In the event that the Company fails to complete the registration of Guarantee required by SAFE, the Company may face operational obstacles when conducting cross-border fund payment under the Guarantee.

Pursuant to each Deed of Guarantee, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the Trust Deed. The Guarantor is required to submit each Deed of Guarantee to the local SAFE for registration in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security following the issuance of each series of the Notes under the Programme. Although the non-registration does not render the Guarantee ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame. The

Guarantor intends to register the Guarantee as soon as practicable and in any event before the Registration Deadline (being 150 Registration Business Days after the issuance date of each series of the Notes under the Programme). In addition, if the Guarantor fails to complete the SAFE registration following the issuance of each series of the Notes under the Programme, for holders of the relevant Notes who choose not to exercise their option to require the Issuer to redeem their Notes upon the No Registration Event (as defined in the Conditions), there may be logistical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in connection with such Deed of Guarantee in order to effect such remittance, although this does not affect the validity of the Guarantee itself.

The liquidity and price of the Notes following their offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Developments in the international financial markets and world economic condition may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. The international financial markets have experienced significant volatility.

If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

An active trading market for the Notes may not develop.

The Notes are a new issue of securities for which there is currently no trading market unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued. There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, our operations and the market for similar securities. Further, the Notes may be allocated to limited number of investors, in which case liquidity may be limited. The Dealers are not obligated to make a market in the Notes and any such market making, if commenced, may be discontinued at any time without notice at the sole discretion of the Dealers.

The ratings of the Notes may be downgraded, suspended or withdrawn.

The Programme is expected to be rated "A+" by S&P. In addition, the Guarantor has been assigned a corporate rating of "A+" by S&P, "A1" by Moody's and "A" by Fitch. Ratings are limited in scope and do not address all material risks relating to an investment in the Notes. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawn at any time. Neither the Trustee nor any Agent shall be responsible for monitoring or maintaining any credit ratings and shall not be liable to the Noteholders or any other

person for not doing so. The Issuer is not obligated to inform holders of the Notes if the ratings are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price of the Notes and the Issuer's ability to access the debt capital markets.

The insolvency laws of the British Virgin Islands, the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As the Issuer was incorporated under the laws of the British Virgin Islands and the Guarantor was incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer or, as the case may be, the Guarantor would likely involve British Virgin Islands insolvency laws or PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts. There is also no assurance that the PRC courts will recognize and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Notes, the Trust Deed, the Deed of Guarantee and the Agency Agreement will be governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Although under the "Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong Special Administrative Region(《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), judgments of Hong Kong courts are likely to be recognized and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts, albeit in limited circumstances, the PRC courts could refuse to recognize and enforce a Hong Kong court judgment on the ground of the social and public interest of the PRC. While it is expected that the PRC courts will recognize and enforce a judgment given by Hong Kong courts in respect of a dispute governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area yet.

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities.

The Issuer may be deemed to be a PRC tax resident enterprise by the PRC tax authorities and certain withholding taxes may be applicable.

The Issuer is incorporated under the laws of the British Virgin Islands. Pursuant to the Enterprise Income Tax Law of the PRC (the "**EIT Law**"), effective as of January 1, 2008 and revised in February 2017 and December 29, 2018, and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose "de facto management bodies" are within the territory of the PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside China. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25 per cent. on its income sourced from both within and outside PRC.

Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or whose income has no actual connection to its establishment within the PRC must pay enterprise income tax at the rate of 10 per cent. or a lower rate if tax treaty benefits are available on its income sourced inside the PRC, and such income tax must be withheld by the PRC payer. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, interest paid on the Notes may be considered to be PRC sourced, in which case the Issuer would be required to withhold income tax from the payments of interest in respect of the Notes to any non-PRC enterprise holders of the Notes. Any capital gain realized by non-PRC enterprise from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident. In accordance with the Individual Income Tax Law of the PRC which took effect on January 1, 2019 and its implementation regulations which took effect on January 1, 2019, if the Issuer is considered to be a PRC tax resident individual, interest payable to non-resident individual holders of the Notes may be treated as income derived from sources within the PRC and be subject to a 20 per cent. individual income tax; accordingly, the Issuer may be obliged to withhold such individual income tax on payments of interests to non-resident individual holders of the Notes. In addition, any capital gain realized by a non-resident individual holder from transfer of the Notes may be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. The rates of PRC tax on interest and capital gains may be reduced under an applicable income tax treaty. See "Taxation – PRC."

If the Issuer is required under the relevant PRC tax laws to withhold PRC income tax on its interest payable to non-resident holders of the Notes who are "non-resident enterprises" or "non-resident individual holders", the Issuer will be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by a holder of a Note of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes, and could have an adverse effect on the Issuer's ability to pay interest on, and repay the principal amount of, the Notes, as well as the Guarantor's profitability and cash flow. In addition, if an investor is required to pay PRC income tax on the transfer of Notes, the value of an investment in the Notes may be materially and adversely affected.

Prospective holders should consult their tax advisers as to whether they may be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas if the Issuer's considered a PRC "resident enterprise".

As of the date of this Offering Circular, the Issuer has not been given notice or informed by the PRC tax authorities that it is considered a PRC tax resident enterprise for the purpose of the EIT Law nor has it sought any clarification from the PRC tax authorities in this regard. On that basis, non-resident enterprise holders of the Notes would not be subject to income tax imposed by any governmental authority in the PRC in respect of the holding of the Notes or any repayment of principal and payment of interest made thereon. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

The Issuer may redeem the Notes in whole at a redemption price equal to 100 per cent. of the principal amount plus accrued and unpaid interest in the event the Issuer is required to pay additional amounts in respect of PRC withholding tax in excess of 10 per cent. because the Issuer is treated as a PRC "resident enterprise".

In the event the Issuer is treated as a PRC "resident enterprise" under the EIT Law, the Issuer may be required to withhold PRC tax on interest payable to certain of its non-resident investors, in which case the Issuer will, subject to certain exceptions, be required to pay additional amounts with respect to such withholding tax. As described in the Conditions, in such event where the Issuer is required to pay additional amounts as a result of certain changes in tax law, including changes in existing official position or the stating of an official position, that results in the Issuer being required to deduct or withhold additional amounts due to the Issuer being treated as a PRC "resident enterprise," the Issuer may redeem the Notes in whole but not in part.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances, including without limitation the giving of notice to the Issuer pursuant to Condition 10 of the Conditions and the taking of enforcement steps pursuant to Condition 12 of the Conditions, the Trustee may, at its sole discretion, request holders of the relevant Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of holders of such Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed (as defined in the Conditions) or the Conditions or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the relevant Notes to take such actions directly.

Decisions that may be made on behalf of all holders of the Notes may be adverse to the interests of individual holders of the Notes.

The Conditions contain provisions for calling meetings of holders of a particular tranche of Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the relevant Notes including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the relevant Notes may be adverse to the interests of the individuals.

The Conditions may be modified without the consent of Noteholders.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to any modification of the Conditions which is not materially prejudicial to the interests of the Noteholders, if of a formal, minor or technical nature or if made to correct a manifest error or to comply with any mandatory provision of law as described in Condition 11(b).

In addition, the Trustee may (but shall not be obliged to), without the consent of the Notes holders, authorize or waive any proposed breach or breach of the Notes, the Trust Deed or the Deed of Guarantee (other than a propose breach or breach relating to the subject of certain reserve matters) if, in the opinion of Trustee, the interest of the Notes holders will not be materially prejudiced thereby.

A change in English law which governs the Notes may adversely affect Noteholders.

The Conditions are governed by English law in effect as of the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream or lodged with the CMU, and Global Certificates may be deposited with the Custodian and registered in the name of Cede & Co. as nominee for DTC (each of Euroclear, Clearstream, the CMU and DTC, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, to the CMU, or to, or to the order of, DTC's nominee, as the case may be, for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (i) equal to, or integral multiples of, the minimum denomination, and (ii) the minimum denomination plus integral multiples of an amount lower than the minimum denomination. Definitive Notes will only be issued in certain circumstances such as if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announce(s) an intention to permanently cease business. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination

that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

The Issuer has no business activities of its own and will be dependent on funds from the Group to make payments under the Notes.

The Issuer was established by the Group specifically for the purpose of issuing debt securities and will on-lend the entire proceeds from the issue of the Notes to the Guarantor and/or other members of the Group. The Issuer does not and will not have any substantial assets other than such loan receivables and its ability to make payments under the Notes will depend on its receipt of timely payments under such loan agreement or other financing arrangements with the Guarantor and/or other members of the Group.

The detailed description of the relationships between the Group and the SASAC in this Offering Circular does not imply in any way any explicit or implicit credit support of the SASAC in respect of the Notes. Any ownership or control by the PRC government and the SASAC does not necessarily correlate to, or provide any assurance as to, our financial condition. As such, the PRC government and the SASAC do not have any payment obligations under the Notes. The Notes are solely to be repaid by the Issuer or the Guarantor, as an obligor under the relevant transaction documents and as an independent legal person. Therefore, investors should base their investment decision only on the financial condition of the Group and base any perceived credit risk associated with an investment in the Notes only on our financial information reflected in its financial statements.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES UNDER THE PROGRAMME

A wide range of Notes may be issued under the Programme. Notes in a particular issuance may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes have features which are different from single currency issues.

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected; and

- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of Partly Paid Notes may result in an investor losing all of its investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes.

Fixed Rate Notes and Floating Rate Notes (as defined in the Conditions) may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility compared with conventional interest-bearing securities with comparable maturities.

Regulation of benchmarks may lead to future reforms or discontinuation.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index – for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or

increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("**€STR**") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Interest rate "fallback" arrangements may lead to Notes performing differently or the effective application of a "fixed rate".

If a relevant benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable, the Conditions of the Notes provide for certain fallback arrangements. Such fallback arrangements may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

RISKS RELATING TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. The liquidity of the Notes could be affected by various factors, and in particular, if a limited number of investors subscribes for a significant portion of the Notes. Such investors may include the Issuer and entities affiliated with the Issuer. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able as receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application will be made for the Notes issued under the Programme to be admitted to listing on the Hong Kong Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility

in prices of securities similar to the Notes that may be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although since October 1, 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi. Each investor should consult its own advisors to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China (the "**PBOC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centers and cities (the "**Renminbi Clearing Banks**") and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC rules and regulations will not be promulgated or amended or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described under the Notes, the Issuer can make payments under the Notes in a currency other than Renminbi.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and other factors. In August 2015, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made with respect to RMB

Notes in Renminbi. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Notes.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes.

All payments to investors in respect of RMB Notes will be made solely:

- when RMB Notes are represented by global certificates, by transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing CMU rules and procedures, or

- when RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations.

In the event that a holder of RMB Notes fails to maintain a valid Renminbi account with a bank in Hong Kong, as the case may be, and accordingly, payments are unsuccessful, it is possible that such amounts may be settled in a currency other than Renminbi. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by check or draft or by transfer to a bank account in the PRC).

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by an amended and restated (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated on or about June 4, 2025 between State Grid Overseas Investment (BVI) Limited (formerly known as State Grid Overseas Investment (2016) Limited, the "**Issuer**"), State Grid Corporation of China (the "**Guarantor**"), and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An amended and restated agency agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated on or about June 4, 2025 has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and calculation agent, The Bank of New York Mellon, Hong Kong Branch as the CMU lodging and paying agent, registrar and transfer agent (in respect of CMU Notes), The Bank of New York Mellon as DTC paying agent, registrar and transfer agent (in respect of DTC Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent (in respect of ICSD Notes) and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the DTC paying agent, the other paying agents, the registrars, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agent**", the "**DTC Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the DTC Paying Agent), the "**Registrars**", the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**". The Notes have the benefit of a deed of guarantee dated the Issue Date (the "**Deed of Guarantee**") entered into by the Guarantor and the Trustee relating to the Notes. The giving of the Guarantee (as defined in Condition 3(b)) was authorised by resolutions of the Executive Meeting of the Chairman of the Board on May 12, 2025. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and, with respect to a Series of Notes to be held in the DTC, be deemed to be a reference to the DTC Paying Agent, and all such references shall be construed accordingly.

Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available for inspection upon prior written notice and satisfactory proof of holding during usual business hours (being 9:00 a.m. to 3:00 p.m. Mondays to Fridays excluding public holidays) at the principal office of the Trustee (presently at 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of

principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Guarantee and the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects, and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series with such Tranche of Notes and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or issue price.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Individual Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

*Upon issue, each Series of Registered Notes may be represented by one or more unrestricted global certificates ("**Unrestricted Global Certificate(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S under the U.S. Securities Act of 1933 (the "**Securities Act**") ("**Unrestricted Notes**") and/or one or more restricted global certificates ("**Restricted Global Certificates**", together with Unrestricted Global Certificates, "**Global Certificates**" and, together with Individual Certificates and Unrestricted Global Certificates, "**Certificates**") in the case of Registered Notes sold to "qualified institutional buyers" as defined in and in reliance on Rule 144A under the Securities Act ("**Restricted Notes**").*

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the relevant register that the Issuer shall procure to be kept by the relevant Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

*Upon issue, each Series of Bearer Notes may be represented by one or more temporary global notes ("**Temporary Global Notes**") or one or more permanent global notes ("**Permanent Global Notes**", together with the Temporary Global Notes, "**Global Notes**").*

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon or in the Trust Deed, as applicable, and the absence of any such meaning indicating that such term is not applicable to the Notes.

Global Certificates and Global Notes may be deposited on the issue date with (and in the case of Global Certificates*, registered in the name of a nominee for) a common depositary on behalf of Euroclear and Clearstream or with a sub-custodian for the CMU or with a custodian for, and registered in the name of a nominee of, DTC.*

Except in limited circumstances described in the Global Note or the Global Certificate, as the case may be, owners of interests in Notes represented by a Global Note or a Global Certificate will not be entitled to receive definitive Notes or Individual Certificates, as the case may be, in respect of their individual holdings of Notes.

2. NO EXCHANGE OF NOTES AND TRANSFERS OF REGISTERED NOTES

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** Subject to Conditions 2(f) and 2(g), one or more Registered Notes may be transferred upon the surrender (at the specified office of the relevant Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the relevant Registrar or the relevant Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the relevant Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the relevant Registrar and the Trustee or by the relevant Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the relevant Registrar to any Noteholder upon prior request in writing and satisfactory proof of holding.

Transfers of interests in the Notes represented by a Global Note or evidenced by a Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the relevant Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within seven business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 6(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) and in Condition 2(f), "**business day**" means a day, other than a Saturday or Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the relevant Registrar (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrars or the Transfer Agents, but upon payment by the relevant Noteholders of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the relevant Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered during the period of 10 business days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of seven business days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption where not all the Notes are so called or (iv) during the period of seven days ending on (and including) any Record Date.

3. STATUS AND GUARANTEE

(a) The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(b) **Guarantee**: The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes and if any, the Receipts and the Coupons relating to them, and the Trust Deed with respect to the Notes. The Guarantor's obligations in respect of the Notes and if any, the Receipts and the Coupons relating to them and the Trust Deed with respect to the Notes (the "**Guarantee**") are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Guarantor has agreed that its obligations under the Guarantee will be as if the Guarantor were the sole principal debtor and not merely a surety. Accordingly, the Guarantor's obligations will not be discharged, nor will its liability be affected, by anything that would

not discharge it or affect its liability if it were the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Deed of Guarantee or to the Trust Deed or the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of the Deed of Guarantee, the Trust Deed, the Notes or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Deed of Guarantee, the Trust Deed, the Notes or any of the Issuer's obligations under any of them. Further, the Guarantor has waived its right to require the Trustee and the holders of the Notes to pursue or exhaust their legal or equitable remedies against the Issuer prior to exercising their rights under the Guarantee. The Guarantee will not be discharged with respect to any Note and if any, Receipts and the Coupons relating to them, except by payment in full of the principal thereof, interest thereon and all other amounts payable thereunder (including any Additional Tax Amounts payable in respect thereof pursuant to Condition 8). Moreover, if at any time any amount paid under any Notes is rescinded or must otherwise be restored, the rights of the holders of such Notes under the relevant Guarantee will be reinstated with respect to such payment as though such payment had not been made. All payments with respect to any Notes under the relevant Guarantee will be made in the currency in which such Notes are denominated.

4. **COVENANTS**

(a) **Negative Pledge:** So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor will not, and will not permit the Issuer or any Principal Subsidiary to, create, incur, assume or permit to exist any Lien upon any of its property or assets, now owned or hereafter acquired, to secure any Relevant Indebtedness of the Guarantor, the Issuer or such Principal Subsidiary (or any guarantee or indemnity in respect thereof) without, in any such case, making effective provision whereby the Notes, the Coupon and the Guarantee will be secured either at least equally and rateably with such Relevant Indebtedness or by such other Lien as shall have been approved by the holders of each outstanding Tranche of Notes as provided in the Trust Deed, for so long as such Relevant Indebtedness will be so secured; unless after giving effect to the issuance thereof, the aggregate outstanding principal amount of all such secured Relevant Indebtedness entered into after April 17, 2017 does not exceed 10 per cent. of the Guarantor's Adjusted Consolidated Net Worth.

The foregoing restriction will not apply to:

(i) any Lien which is in existence prior to the date of issuance of any Tranche of Notes, but only with respect to such Tranche, and any replacement thereof created in connection with the refinancing (together with interest, fees and other charges attributable thereto) of the Relevant Indebtedness originally secured (but the principal amount secured by any such Lien may not be increased);

(ii) any Lien arising or having already arisen automatically by operation of law which is promptly discharged or disputed in good faith by appropriate proceedings;

(iii) any Lien either over any asset acquired after the date of issuance of any Tranche of Notes, which is in existence at the time of such acquisition or in respect of the obligations of any Person which becomes the Guarantor's Subsidiary or which merges with and into the Guarantor after the date of such issuance which is in existence at the date on which it becomes the Guarantor's Subsidiary and in both cases any replacement

thereof created in connection with the refinancing (together with interest, fees and other charges attributable thereto) of the Relevant Indebtedness originally secured (but the principal amount secured by any such Lien may not be increased); provided that any such Lien was not incurred in anticipation of such acquisition or of such company becoming the Guarantor's Subsidiary;

(iv) any Lien created on any property or asset acquired, leased or developed (including improved, constructed, altered or repaired) after the date of issuance of any Tranche of Notes; provided, however, that (a) any such Lien shall be confined to the property or asset acquired, leased or developed (including improved, constructed, altered or repaired); and (b) any such Lien shall be created concurrently with or within two years following the acquisition, lease or development (including construction, improvement, repair or alteration) of such property or asset;

(v) any Lien created or outstanding in favour of the Guarantor or any of the Guarantor's Subsidiaries;

(vi) any Lien on any property or asset to secure all or part of the cost of development, production, gathering, processing or marketing of such property or asset or to secure Relevant Indebtedness incurred to provide funds for any such purpose;

(vii) any Lien arising in connection with industrial revenue, development or similar bonds or other Relevant Indebtedness or means of project financing (not to exceed the value of the project financed and limited to the project financed);

(viii) any Lien in respect of Relevant Indebtedness of the Guarantor or any of the Guarantor's Subsidiaries with respect to which the Guarantor or such Subsidiary has paid money or deposited money or securities with a fiscal agent, trustee or depository to pay or discharge in full the obligations of the Guarantor and the Guarantor's Subsidiary in respect thereof; or

(ix) any Lien arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by any Lien permitted by any of the foregoing clauses; provided that such Relevant Indebtedness is not increased and is not secured by any additional property or assets.

(b) **Undertaking relating to the Guarantee:** In respect of each Series of Notes, the Guarantor undertakes that it will (i) file or cause to be filed with SAFE the Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security（跨境擔保外匯管理規定）so long as such rules are still in effect, (ii) use its best endeavours to complete the registration of the Deed of Guarantee with SAFE (the "**Cross-border Security Registration**") and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee. In addition, the Guarantor shall procure that within five Registration Business Days after such delivery, the Issuer delivers to the Trustee and the Issuing and Paying Agent a notice addressed to the Noteholders confirming the completion of the Cross-border Security Registration and requests that the Issuing and Paying Agent arrange for such notice to be published to the Noteholders on behalf of the Issuer. Neither the Trustee nor any Agent shall have any obligation to assist with the Cross-border Security Registration or to monitor whether or not, or to ensure that, the Cross-border Security Registration is completed on or before the Registration Deadline and shall not be liable to Noteholders or any other person for not doing so.

*In accordance with the Administrative Measures for Examination and Registration of Medium- and Long-term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(中華人民共和國國家發展和改革委員會令(第56號)) (the "**NDRC Administrative Measures**") as issued by the NDRC (as defined below) and effective from February 10, 2023, an onshore PRC entity and offshore controlled entities controlled by it shall procure the registration of any offshore debt securities with a term not less than one year issued with the NDRC prior to the issue of the securities and obtain a pre-issuance NDRC registration certificate (a Certificate of Enterprise Foreign Debt Examination and Registration, 企業借用外債審核登記證明) in this regard, notify the particulars of the relevant issues within the timeframe prescribed by the NDRC after the completion of the relevant issue, and to comply with the continuing obligations under the NDRC Administrative Measures.*

Guarantees by a PRC-incorporated entity of foreign indebtedness arising from offshore bond issuances are subject to registration by the SAFE. The Guarantor will promptly make or cause to be made the Cross-border Security Registration with SAFE.

The Guarantor understands from its discussion with SAFE that under PRC law:

(i) *the Guarantee will be legal, valid and binding obligations of the Guarantor upon execution;*

(ii) *the Guarantor is required to file or cause to be filed each Deed of Guarantee with the Beijing Branch of SAFE (the "**Beijing Branch**") as soon as possible and in any event before 15 Registration Business Days after the execution of the Deed of Guarantee. If the Guarantor does not complete the Cross-border Security Registration promptly in accordance with the requirement of SAFE, there may be operational obstacles to cross-border payment under the Guarantees. See "Risk Factors – Risks Relating to the Notes and the Guarantee"; and*

(iii) *the Guarantees will cover all sums due under any Notes issued (including any principal, interest and related financial obligations).*

Under the Conditions, upon completion of the Cross-border Security Registration with the Beijing Branch of SAFE, the Guarantor is required to deliver to the Trustee a certificate signed by an Authorised Signatory of the Guarantor attaching a copy of the registration record from the Beijing Branch of SAFE and certifying that such copy is a true and correct copy. If the registration is not completed within 150 Registration Business Days after the issuance of any Notes, the Issuer will be required under the Conditions to make an offer to repurchase all such Notes at a price equal to 100 per cent. of the nominal amount of such Notes, plus accrued and unpaid interest to but excluding the date of repurchase, as described below under Condition 6(e).

The Guarantor intends to execute the Deed of Guarantee with respect to any Notes as soon as reasonably practicable on or after the date of the Pricing Supplement in respect of such Notes. After the Guarantor completes the Cross-border Security Registration, funds may be remitted through commercial banks on the basis of the registration documents if the Guarantor is called upon to fulfil its obligations under the Guarantee.

(c) **Consolidation, Merger and Sale of Assets:** For so long as any Note or Coupon remains outstanding, neither the Guarantor nor the Issuer may consolidate with or merge into any other Person in a transaction in which the Guarantor or the Issuer, as the case may be, is not the surviving entity, or convey, transfer or lease their properties and assets (computed on a consolidated basis) substantially as an entirety to any Person unless:

(i) any Person formed by such consolidation or into which the Guarantor or the Issuer, as the case may be, is merged or to whom the Guarantor or the Issuer, as the case may be, has conveyed, transferred or leased its properties and assets substantially as an entirety is a corporation validly existing under the laws of the PRC, Hong Kong or the British Virgin Islands and such Person expressly assumes by deeds supplemental to the Trust Deed and the relevant Deed of Guarantee all the obligations of the Guarantor or the Issuer under the Trust Deed, the Notes or the Guarantee, as the case may be;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing under any Tranche of Notes;

(iii) any such Person not organised and validly existing under the laws of (or any such Person resident for tax purposes in a jurisdiction other than) the PRC (in the case of the Guarantor) or the British Virgin Islands or any successor jurisdiction (in the case of the Issuer) shall expressly agree in a supplemental trust deed that its jurisdiction of organisation or tax residence (or any political subdivision, territory or possession thereof, any taxing authority therein or any area subject to its jurisdiction) will be added to the list of Relevant Jurisdictions; and

(iv) if, as a result of the transaction, any property or asset of the Guarantor or any of the Guarantor's Principal Subsidiaries would become subject to a Lien that would not be permitted under Condition 4(a) above, the Guarantor, the Issuer or such successor Person takes such steps as shall be necessary to secure the Notes and the Guarantee at least equally and rateably with the Relevant Indebtedness secured by such Lien or by such other Lien as shall have been approved by holders of the Notes pursuant to the Trust Deed.

(d) **Issuer Activities and Related Matters:** For so long as any Note or Coupon remains outstanding, the Issuer will conduct no business or any other activities other than to finance the business operations of the Guarantor or one or more companies controlled by the Guarantor through the offering, sale or issuance of securities and borrowings of indebtedness and investing in or lending the proceeds thereof to the Guarantor or a company controlled by the Guarantor, and any other activities in connection therewith.

(e) **Financial Statements**:

(i) So long as any Note or Coupon remains outstanding:

(A) the Guarantor shall send to the Trustee as soon as they are available, but in any event within 180 calendar days after the end of each fiscal year of the Guarantor, copies of its financial statements in the English language (on a consolidated basis) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of independent accountants; and

(B) as soon as they are available, but in any event within 120 calendar days after the end of each first semi-annual fiscal period of the Guarantor, copies of its unaudited financial statements in the English language (on a consolidated basis) in respect of such semi-annual period (including a statement of income, balance sheet and cash flow statement) prepared on a basis consistent with the audited financial statements of the Guarantor, together with a certificate signed by the person then authorised to sign financial statements on behalf of the Guarantor, to the effect

that such financial statements are true in all material respects and present fairly the financial position of the Guarantor, as at the end of, and the results of its operations for, the relevant semi-annual period,

provided that, if at any time the Capital Stock of the Guarantor is listed for trading on a recognized stock exchange, the Guarantor will file with the Trustee, as soon as they are available but in any event not more than 10 calendar days after any financial or other reports of the Guarantor are filed with any recognized exchange on which the Guarantor's Capital Stock is at any time listed for trading, true and correct copies of any financial or other report filed with such exchange in lieu of the reports identified in clauses (i)(A) and (i)(B) above, if such financial or other report is in English language.

(ii) For so long as any Note or Coupon remains outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Guarantor, during any period in which it is not subject to and in compliance with Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or it is not exempt from such reporting requirements pursuant to and in compliance with Rule 12g3-2(b) under the Exchange Act, will furnish, upon the request of any Noteholder or a holder of a beneficial interest in a Note, such information as is specified in paragraph (d)(4) of Rule 144A, to such holder or beneficial owner or to a prospective purchaser of any Note or a beneficial interest in any Note who is a qualified institutional buyer within the meaning of Rule 144A, in order to permit compliance by the holder or beneficial owner with Rule 144A in connection with the resale of any such Note or beneficial interest in any such Note in reliance on Rule 144A.

(iii) For so long as any Note or Coupon remains outstanding, each of the Issuer and the Guarantor will notify the Trustee, immediately upon becoming aware of the occurrence of any event which constitutes, or which, after notice or lapse of time or both, would become, an Event of Default under any Note and provide a certificate signed by an Authorised Signatory of the Issuer or, as the case may be, by an Authorised Signatory of the Guarantor setting forth the details thereof and the action the Issuer or, as the case may be, the Guarantor is taking or proposes to take with respect thereto.

(f) In these Conditions:

"**Adjusted Consolidated Net Worth**" means the sum of the Guarantor's (a) shareholders' equity as determined under PRC GAAP and (b) Subordinated Indebtedness;

"**Capital Stock**" means any and all shares, interests (including joint venture interests), participations or other equivalents (however designated) of capital stock of a corporation or any and all equivalent ownership interests in a Person (other than a corporation);

"**Indebtedness**" of any Person means, at any date, without duplication, (i) any outstanding indebtedness for or in respect of money borrowed (including bonds, debentures, notes or other similar instruments, whether or not listed) that is evidenced by any agreement or instrument, excluding trade payables, (ii) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, and (iii) all Indebtedness of others guaranteed by such Person;

"**Lien**" means any mortgage, charge, pledge, lien, encumbrance, hypothecation, title retention, security interest or security arrangement of any kind;

"**NDRC**" means the National Development and Reform Commission;

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity;

"**PRC GAAP**" means generally accepted accounting principles in the PRC consistently applied as in effect from time to time;

"**Principal Subsidiary**" at any time shall mean one of the Guarantor's Subsidiaries:

(a) as to which one or more of the following conditions is/are satisfied:

(i) its net profit or (in the case of one of the Guarantor's Subsidiaries which has one or more Subsidiaries) consolidated net profit attributable to the Guarantor (in each case before taxation and exceptional items) is at least 10 per cent. of the Guarantor's consolidated net profit (before taxation and exceptional items); or

(ii) its net assets or (in the case of one of the Guarantor's Subsidiaries which has one or more Subsidiaries) consolidated net assets attributable to the Guarantor (in each case after deducting minority interests in Subsidiaries) are at least 10 per cent. of the Guarantor's consolidated net assets (after deducting minority interests in Subsidiaries),

all as calculated by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Guarantor's Subsidiary and the Guarantor's then latest consolidated financial statements, provided that: (1) in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest relevant audited financial statements relate, the reference to the then latest audited financial statements for the purposes of the calculation above shall, until audited financial statements for the financial period in which the acquisition is made are published, be deemed to be a reference to the financial statements adjusted to consolidate the latest audited financial statements of the Subsidiary in the financial statements; (2) if, in the case of a Subsidiary of the Guarantor which itself has one or more Subsidiaries, no consolidated financial statements are prepared and audited, its consolidated net assets and consolidated net profits shall be determined on the basis of *pro forma* consolidated financial statements of the relevant Subsidiary and its Subsidiaries prepared for this purpose and opined on by its auditors; or (3) if the financial statements of a Subsidiary of the Guarantor (not being a Subsidiary referred to in (1) above) are not consolidated with those of the Guarantor then the determination of whether or not the Subsidiary is a Principal Subsidiary shall, if the Guarantor requires, be based on a *pro forma* consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements of the Guarantor and its Subsidiaries; or

(b) to which is transferred all or substantially all of the assets of the Guarantor's Subsidiary which immediately prior to the transfer was a Principal Subsidiary, provided that, with effect from such transfer, the Subsidiary which so transfers its assets and undertakings shall cease to be a Principal Subsidiary (but without prejudice to paragraph (1) above) and the Guarantor's Subsidiary to which the assets are so transferred shall become a Principal Subsidiary.

A certificate of the Guarantor's auditors as to whether or not the Guarantor's Subsidiary is a Principal Subsidiary shall be conclusive and binding on all parties in the absence of manifest error;

"**PRC**" means the People's Republic of China, and for the purpose of these Conditions only, excluding Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan Region;

"**Registration Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing;

"**Registration Deadline**" means the day falling 150 Registration Business Days after the Issue Date;

"**Relevant Indebtedness**" of any Person means, at any date, Indebtedness incurred outside of the PRC (1) that has a final maturity date of one year or more from the date of incurrence or issuance of such Indebtedness and (2) is in the form of, or is represented or embodied by, bonds, notes, debentures or other securities which are, or are intended to be, commonly quoted, listed or dealt in or traded on any stock exchange or over-the-counter securities market;

"**SAFE**" means the State Administration of Foreign Exchange or its local branch;

"**Subordinated Indebtedness**" means the Guarantor's indebtedness (including perpetual debt, which the Guarantor is not required to repay) which (i) has a final maturity and a weighted average life to maturity longer than the remaining life to maturity of any outstanding Tranche of Notes and (ii) is issued or assumed pursuant to, or evidenced by, an indenture or other instrument containing provisions for the subordination of such Indebtedness to any outstanding Tranche of Notes including (a) a provision that in the event of the Guarantor's bankruptcy, insolvency or other similar proceeding, the holders of any outstanding Tranche of Notes shall be entitled to receive payment in full in cash of all principal, Additional Tax Amounts and interest on such Notes (including all interest arising after the commencement of such proceeding whether or not an allowed claim in such proceeding) before the holder or holders of any such Subordinated Indebtedness shall be entitled to receive any payment of principal, interest or premium thereon, (b) a provision that, if an Event of Default has occurred and is continuing under any outstanding Tranche of Notes, the holder or holders of any such Subordinated Indebtedness shall not be entitled to payment of any principal, interest or premium in respect thereof unless or until such Event of Default shall have been cured or waived or shall have ceased to exist, and (c) a provision that the holder or holders of such Subordinated Indebtedness may not accelerate the maturity thereof as a result of any default relating thereto so long as any Note is outstanding;

"**Subsidiary**" means, as applied to any Person, any corporation or other entity of which a majority of the outstanding Voting Shares is, at the time, directly or indirectly, owned by such Person; and

"**Voting Shares**" means, with respect to any Person, the Capital Stock having the general voting power under ordinary circumstances to vote on the election of the members of the board of directors or other governing body of such Person (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

In addition to the foregoing covenants in this Condition 4, the Trust Deed will (subject to exceptions, qualifications and materiality thresholds, where appropriate) contain covenants regarding the Issuer's and the Guarantor's payment of taxes and other claims and the maintenance of an agent for service of process in Hong Kong.

5. **INTEREST AND OTHER CALCULATIONS**

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Notes**

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each *subsequent* such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified *hereon* and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(1) the Floating Rate Option is as specified hereon;

(2) the Designated Maturity is a period specified hereon; and

(3) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) ***Screen Rate Determination for Floating Rate Notes***

(1) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(x) the offered quotation; or

(y) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11:00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR or 11:15 a.m. Hong Kong time in the case of CNH HIBOR) or if, at or around that time it is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR or HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(2) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (x)(2) above of this Condition 5(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall notify the Issuer and the Issuer shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the Interest Determination Date in question, and the Issuer shall advise the Calculation Agent of each offered quotation received by it as aforesaid. If two or more of the Reference Banks provide the Issuer with such offered quotations and the Issuer advises the Calculation Agent of the same as

aforesaid, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(3) if paragraph (y) above of this Condition 5(b)(iii)(B) applies and the Issuer determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11:00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks informs the Issuer it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, and the Issuer shall advise the Calculation Agent of each offered rate for deposits received by it as aforesaid, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) ***Linear Interpolation***

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no

rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum Rates of Interest/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than euro or Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial center for such currency; and/or

(ii) in the case of Notes denominated in euro, a day on which T2 is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of Notes denominated in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of Notes denominated in a currency and/or one or more Business Centers a day (other than a Saturday, a Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Center(s) or, if no currency is indicated, generally in each of the Business Centers.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(a) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(b) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the

Reference Rate is CNH HIBOR; or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi; or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" has the meaning given in the relevant Pricing Supplement.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market, in each case selected by and contacted by the Issuer or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**T2**"means the real time gross settlement system operated by the Eurosystem or any successor system.

(k) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount or to comply with any other requirement, the Issuer shall (with prior notification to the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by

the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. **REDEMPTION, PURCHASE AND OPTIONS**

(a) **Redemption by Instalments and Final Redemption**:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption**:

(i) ***Zero Coupon Notes***:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below of this Condition 6(b)(i), the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above of this Condition 6(b)(i), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) ***Other Notes:*** The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d), Condition 6(e) or Condition (f) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee is called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that the Issuer (or, if the Guarantee is called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then payable. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer (or, if the Guarantee was called, the Guarantor) shall deliver to the Trustee (a) a certificate signed by a Director of the Issuer who is also an Authorised Signatory of the Issuer (or by an Authorised Signatory of the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(c) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognized standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective); and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(c), in which event the same shall be conclusive and binding on Noteholders and Couponholders.

For the purposes of this Condition 6(c) and Condition 8, "**Relevant Jurisdiction**" means the British Virgin Islands, Hong Kong and the People's Republic of China (which for this purpose excludes Hong Kong, Macau and Taiwan Region) or any political subdivision or any authority therein or thereof having power to tax to which the Issuer or the Guarantor becomes subject in respect of payments made by it of any sums due in respect of the Notes or Coupons.

(d) **Redemption at the Option of the Issuer:** If Issuer Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to

Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, in subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption for Relevant Events:** Following the occurrence of a Relevant Event, if redemption on the occurrence thereof is specified hereon, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Notes on the Put Settlement Date (as defined below in this Condition 6(e)) at 101% (in the case of a redemption for a Change of Control, as defined below in this Condition 6(e)) or 100% (in the case of a redemption for a No Registration Event, as defined below in this Condition 6(e)) of their nominal amount, together in each case with accrued interest to the Put Settlement Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Put Exercise Notice**"), together with (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) or (in the case of Registered Notes) the Certificate evidencing such Notes to be redeemed, by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer or the Guarantor in accordance with Condition 16. The "**Put Settlement Date**" shall be the date specified in the Put Exercise Notice for the redemption of such Notes, which date will be no earlier than 30 days and no later than 60 days from the date the Put Exercise Notice is given.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes the subject of Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

Not later than 30 days (in the case of a redemption for a Change of Control) or 15 days (in the case of a redemption for a No Registration Event) following the day on which the Issuer or the Guarantor becomes aware of a Relevant Event, the Issuer or the Guarantor shall procure that notice regarding such Relevant Event shall be delivered to the Trustee in writing and to the holders (in accordance with Condition 16) stating:

(i) the Put Settlement Date;

(ii) the date of the Relevant Event and, briefly, the events causing, as applicable, the Change of Control and the Rating Downgrade (in the case of a Change of Control) or the No Registration Event (in the case of a No Registration Event);

(iii) the date by which the Put Exercise Notice must be given;

(iv) the redemption amount and the method by which such amount will be paid;

(v) the names and addresses of all Paying Agents;

(vi) the procedures that holders must follow and the requirements that holders must satisfy in order to exercise the Relevant Event Put Right; and

(vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

The Trustee and the Agents shall have no obligation or duty to verify the accuracy, validity and/or genuineness of any documents provided or delivered to it in relation to or connection with the Relevant Event and/or the Registration Conditions and shall not be liable to holders or any other person for not doing so. The Trustee and the Agents shall be entitled to assume that if no notice of the occurrence of a Relevant Event has been received by it that no Relevant Event has occurred, and shall not be liable to holders or any other person for so doing.

For the purpose of this Condition 6(e):

a "**Change of Control**" means the occurrence, at any time, of any of the following:

(a) the Guarantor ceasing to own and control directly or indirectly 100 per cent. of the Voting Shares of the Issuer; or

(b) State Grid Overseas Investment Limited ceases to own directly or indirectly 100 per cent. equity ownership of the Issuer; or

(c) the government of the People's Republic of China (including SASAC and any other subdivision or any authority of the government of the People's Republic of China) or Persons controlled by the government of the People's Republic of China ceasing to own and control directly or indirectly or in combination (through controlled entities) 100 per cent. of the Voting Shares of the Guarantor;

"**Investment Grade**" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns; a rating of "Aaa," "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns; a rating of "BBB-" or better by Fitch or any of its successors or assigns; or the equivalent ratings of any United States nationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Guarantor as having been substituted for S&P, Moody's, or Fitch or any combination thereof, as the case may be;

a "**No Registration Event**" occurs when the Registration Conditions are not complied with on or before the Registration Deadline (as defined in Condition 4);

a "**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity;

"**Rating Agencies**" means (i) S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., and its successors ("**S&P**"); (ii) Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors ("**Moody's**"); (iii) Fitch Inc., a subsidiary of Fimalac, S.A., and its successors ("**Fitch**"); and (iv) if one or more of S&P, Moody's or Fitch shall not make a rating of the Notes publicly available, any United States nationally recognized securities rating agency or agencies, as the case may be, selected by the Guarantor, which shall be substituted for S&P, Moody's or Fitch or any combination thereof, as the case may be;

"**Rating Date**" means, in connection with a Relevant Event involving a Change of Control, that date which is 90 days prior to the earlier of (i) a Change of Control and (ii) a public notice of the occurrence of a Change of Control or of the intention by the Guarantor or any other Person or Persons to effect a Change of Control;

"**Rating Decline**" means, in connection with a Relevant Event involving a Change of Control, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Guarantor or any other person or persons to effect a Change of Control (which period shall be extended (by no more than an additional three months after the consummation of the Change of Control) so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below: (i) in the event the Notes are (a) on the Rating Date (x) rated by three Ratings Agencies and (y) rated Investment Grade by each such Rating Agency, and (b) cease to be rated Investment Grade by at least two of such Rating Agencies; or (ii) in the event the Notes are (a) on the Rating Date (x) rated by two but not more Ratings Agencies and (y) rated Investment Grade by each such Rating Agency, and (b) cease to be rated Investment Grade by both such Rating Agencies;

"**Registration Conditions**" means the receipt by the Trustee of a certificate signed by any one Director or one duly authorised officer (including the Deputy General Manager – Finance) of the Guarantor, in each case who is also an Authorised Signatory of the Guarantor, confirming the completion of the Cross-border Security Registration together with a copy of the relevant SAFE registration record;

a "**Relevant Event**" will be deemed to occur if (i) there is a No Registration Event; or (ii) there is a Change of Control, provided that, in the event that the Notes are, on the Rating Date, rated Investment Grade by two or more Rating Agencies, a Relevant Event under (ii) of this definition shall mean the occurrence of both a Change of Control and a Rating Decline. No Relevant Event will be deemed to have occurred in connection with any particular Change of Control: (A) unless and until such Change of Control has actually been consummated or (B) if a third party makes an offer to purchase outstanding Notes substantially in the manner, at the times and in compliance with the requirements set forth above in connection with a Change of Control (and for at least the same purchase price payable in cash) and such third party purchases all Notes properly tendered and not withdrawn under its offer; and

"**SASAC**" means the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China or its successor.

(f) **Redemption at the Option of Noteholders:** If Investor Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the relevant Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any

Paying Agent, the relevant Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(h) **Purchases:** Each of the Issuer, the Guarantor and any of their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be held, reissued, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the holders or for the purposes of Condition 10 and Condition 11(a) and as provided in the Trust Deed.

(i) **Notice of redemption**: All Notes in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Note (which shall include any notice given by the Issuer pursuant to Condition 6(c) or Condition 6(d) and any Put Exercise Notice given by a Noteholder pursuant to Condition 6(e)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any Agent shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption and shall not be liable to Noteholders or any other person for not doing so.

7. PAYMENTS AND TALONS

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:

(i) in the case of Notes denominated in a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and

(ii) in the case of Notes denominated in Renminbi, by transfer from the Paying Agent's office outside the United States to a Renminbi account maintained by or on behalf of the Noteholder with a Bank in Hong Kong.

In this Condition 7(a) and in Condition 7(b), "**Bank**" means a bank in the principal financial center for such currency or, in the case of euro, in a city in which banks have access to T2.

Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for their distribution to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

(b) **Registered Notes**:

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the relevant Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the relevant Register at the close of business on the fifth (in the case of Notes denominated in Renminbi) and fifteenth (in the case of Notes denominated in a currency other than Renminbi) day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(A) in the case of Notes denominated in a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the relevant Register. Upon application by the holder to the specified office of the relevant Registrar or any Transfer Agent before the Record Date or at the discretion of the relevant Paying Agent, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(B) in the case of Notes denominated in Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the relevant Register at the close of business on the fifth business day before the due date for payment.

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

*So long as the Global Note or, as the case may be, the Global Certificate is held on behalf of Euroclear and Clearstream or CMU, each payment in respect of the Global Certificate will be made to the person shown as the holder in the relevant Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means (in relation to Global Note or, as the case may be, the Global Certificate held on behalf of Euroclear and Clearstream) a weekday (Monday to Friday, inclusive) except December 25 and January 1 or (in relation to CMU) a day on which the CMU is operating and open for business.*

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Laws:** Payments will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the DTC Paying Agent, the other Paying Agents, the Registrars, the other Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the DTC Paying Agent, the Paying Agents, the Registrars, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the DTC Paying Agent, any other Paying Agent, the Registrars, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) a DTC Paying Agent in relation to Notes accepted for clearance through DTC, (vi) one or more Calculation Agent(s) where the Conditions so require, and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved in writing by the Trustee.

In addition, the Issuer may appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c) above.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be

deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or a Dual Currency Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity and/or security as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centers**" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial center of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day; or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8. **TAXATION**

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction, unless such withholding or deduction is required by law. Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the aggregate rate applicable on the date on which agreement is reached to issue the first Tranche of the Notes (the "**Applicable Rate**"), the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by Noteholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required. If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate or (ii) by or within a Relevant Jurisdiction other than the PRC, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Tax Amounts**") as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to a holder, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on presenting it for payment on the thirtieth day;

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or otherwise in connection with any Note, Receipt or Coupon or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment in

any jurisdiction or be responsible to provide any notice or information in relation to the Notes, Receipts or Coupons in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(a) **Non-Payment of principal and premium:** the Issuer and the Guarantor each fails to pay the principal of or any premium (if any) on any of the Notes on the date such amount is due and payable, upon optional redemption, acceleration or otherwise; or

(b) **Non-Payment of interest:** the Issuer and the Guarantor each fails to pay interest on any Note within 30 calendar days after the due date for such payment; or

(c) **Breach of Certain Covenants:** the Issuer or the Guarantor fails to comply with its obligations set out under Condition 4(c) or Condition 6(e); or

(d) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its respective obligations in the Notes, the Trust Deed or the Deed of Guarantee, which default is incapable of remedy or, if capable of remedy, is not remedied within 60 days after notice of such default shall have been given to the Issuer or the Guarantor, as the case may be, by the Trustee; or

(e) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or the Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity following a default by the Issuer, the Guarantor or such Principal Subsidiary, if such indebtedness is not discharged, or such acceleration is not annulled, within 10 days after receipt by the Trustee of the written notice from the Issuer or the Guarantor as provided in the Trust Deed, or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised if such obligation is not discharged or otherwise satisfied within 10 days after receipt by the Trustee of written notice as provided in the Trust Deed; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(e) have occurred equals or exceeds US$200,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollars as quoted by any leading bank on the day on which this Condition 10(e) operates); or

(f) **Judgments or Orders:** one or more final judgments or orders for the payment of money are rendered against the Issuer, the Guarantor or any Principal Subsidiary and are not paid or discharged, and there is a period of 30 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$200,000,000 (or its equivalent in any other currency) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; or

(g) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within thirty days; or

(h) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any of the Principal Subsidiaries over all or a material part of its assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged within thirty days; or

(i) **Insolvency:** the Issuer, the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of the Principal Subsidiaries; or

(j) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any of the Principal Subsidiaries, or the Guarantor ceases or threatens to cease to carry on all or a material part of its business or operations or the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Noteholders, or (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Guarantor or a Subsidiary of the Guarantor, or (ii) a disposal on an arm's length basis where the assets resulting from such disposal are vested in the Guarantor or a Subsidiary of the Guarantor; or

(k) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes, the Trust Deed and the Deed of Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

(l) **Illegality:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Notes, the Trust Deed or the Deed of Guarantee; or

(m) **Unenforceability of Guarantee:** the Guarantee becomes unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or

(n) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(a) to 10(m) (both inclusive).

11. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Deed of Guarantee. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if requested in writing to do so by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest, Maximum Rate of Interest, Instalment Amount and/or Redemption Amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or viii) to modify or cancel the Deed of Guarantee (subject to Condition 11(b)), in which case the necessary quorum shall be two or more persons holding or representing not less than 66 per cent, or at any adjourned meeting not less than 33 per cent, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification, Waiver, Authorisation and Determination:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders or Couponholders, to any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee, the Notes, the Receipts or the Coupons which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders, or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, wavier or authorisation shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, such modification, wavier or authorisation shall be notified by the Issuer, failing whom the Guarantor, to the Noteholders as soon as practicable thereafter in accordance with Condition 16.

(c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor or the Trustee, indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. ENFORCEMENT

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Deed of Guarantee, the Notes, the Receipts and/or the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in nominal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability. The Trustee and any entity related to the Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, information, confirmation, opinion or certificate or any advice or opinion of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, advice or opinion and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor and the Noteholders.

The Trustee shall have no obligation to monitor whether an Event of Default, Potential Event of Default, Rating Downgrade, Change of Control or Relevant Event has occurred, and shall not be liable to Noteholders or Couponholders or any other person for not so doing.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Noteholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Noteholders or in the event that no direction is given to the Trustee by the Noteholders. None of the Trustee or any Agent shall be liable to any Noteholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer or the Guarantor or any other person appointed by the Issuer and/or the Guarantor in relation to the Notes of the duties and obligations on their part expressed in respect of the same.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

14. REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or the relevant Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders to create and issue further securities ("**Additional Notes**") either (i) having the same terms and conditions as the Notes in all respects (or in all respects save for the first payment of interest on them) and so that the same shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (ii) upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any Additional Notes issued pursuant to this Condition 15 and forming a single series with the Notes. Any Additional Notes which are to form a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other future securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed, provided that if any such Additional Notes are not fungible with the Notes for U.S. federal

income tax purposes, such Additional Notes will have a separate ISIN, CUSIP, Common Code, CMU Instrument Number or other identifying number (as applicable) from those of the Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series in certain circumstances where the Trustee so decides.

16. **NOTICES**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and, so long as the Notes are listed on the Stock Exchange and the rules of that Exchange so require, published in a leading newspaper having general circulation in Asia (which is expected to be the Asian Wall Street Journal). Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Asia and, so long as the Notes are listed on the Stock Exchange and the rules of that Exchange so require, published in a daily newspaper with general circulation in Asia (which is expected to be the Asian Wall Street Journal). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear and/or Clearstream, DTC, CMU or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. **GOVERNING LAW AND JURISDICTION**

(a) **Governing Law:** The Trust Deed, the Agency Agreement, the Deed of Guarantee, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons, the Trust Deed, the Agency Agreement and the Deed of Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons, the Trust Deed, the Agency Agreement and the Deed of Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed, and the Guarantor has in the Deed of Guarantee, irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Service of Process:** Each of the Issuer and the Guarantor has in the Trust Deed irrevocably agreed to receive service of process at State Grid Overseas Investment Limited's principal place of business in Hong Kong to receive, for it and on its behalf, service of process in any Proceedings in Hong Kong.

(d) **Waiver of immunity:** To the extent that the Issuer or the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or the Guarantor, or its assets or revenues, each of the Issuer and the Guarantor agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

INITIAL ISSUE OF NOTES

Notes may be issued in bearer form or in registered form. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary or sub-custodian for Euroclear, Clearstream and/or as the case may be, the CMU and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If TEFRA D is specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Registered Notes will be represented by registered Certificates; one definitive Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes sold to non-U.S. persons in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate. Registered Notes sold in the United States to QIBs within the meaning of Rule 144A will initially be represented by a Restricted Global Certificate.

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or a sub-custodian for the HKMA as operator of the CMU.

Upon the initial deposit of a Global Note with the Common Depositary or with a sub-custodian for the HKMA as operator of the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream or (ii) the HKMA and delivery of the relevant Global Certificate to the Common Depositary or the sub-custodian for the HKMA as operator of the CMU (as the case may be), Euroclear or Clearstream or the CMU (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with the CMU and/or Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with the CMU, Euroclear, Clearstream or other clearing systems.

RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream, DTC or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, DTC or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the

case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled (in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

EXCHANGE

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes" below, in part for Definitive Notes or, in the case of (i) below, Registered Notes:

(i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream or the CMU;

(ii) or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(iii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of the CMU, Euroclear or Clearstream.

Global Certificates

(a) ***Unrestricted Global Certificates***

If the relevant Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream or the CMU or DTC or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2 of the Conditions may only be made:

(i) in whole but not in part if the Unrestricted Global Certificate is held on behalf of Euroclear or Clearstream, the CMU or an Alternative Clearing System and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Unrestricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC;

(iii) if principal in respect of any Notes is not paid when due;

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

(b) ***Restricted Global Certificates***

If the relevant Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream or DTC or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from DTC. Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2 of the Conditions may only be made:

(i) in whole but not in part, if such Notes are held on behalf of Euroclear or Clearstream or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;

(ii) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(iii) in whole or in part, with the Issuer's consent,

provided that, in the case of any transfer pursuant to (i) or (ii) above, the relevant Registered Noteholder has given the relevant Registrar not less than 30 days' notice at its specified office of the Registered Noteholder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "Transfer Restrictions".

PARTIAL EXCHANGE OF PERMANENT GLOBAL NOTES

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

DELIVERY OF NOTES

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and, if applicable, a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

EXCHANGE DATE

"**Exchange Date**" means (i) in relation to an exchange of a Temporary Global Note to a Permanent Global Note, the day falling after the expiry of 40 days after its issue date or the completion of distribution of the relevant Tranche of the Notes, whichever later; or (ii) in relation to an exchange of a

Permanent Global Note to a Definitive Note, a day falling not less than 60 days or in the case of exchange following failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the cities in which the relevant clearing systems are located.

AMENDMENT TO CONDITIONS

The Temporary Global Notes, Permanent Global Notes, and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of certain of those provisions:

PAYMENTS

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

Condition 7(f)(vi) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "business day" set out in Condition 7(h).

All payments made in respect of Notes represented by a Global Note or Global Certificate (other than a Global Certificate held through DTC) will be made to, or to the order of, the person whose name is entered on the relevant Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except December 25 and January 1 or (in the case of a Global Note or Global Certificate held through the CMU) a day on which the CMU is operating and open for business.

In respect of a Global Note or Global Certificate held through the CMU, payment of interest or principal will be made to the person(s) for whose account(s) interests in this Global Certificate are credited as being held with the CMU in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the Issuer's obligations in respect of that payment.

CALCULATION OF INTEREST

So long as the Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Notes from the Issue Date in arrear at the rates, on the date of payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by such Global Note or Global Certificate.

PRESCRIPTION

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note or a Global Certificate will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

MEETINGS

The holder of a Global Note or of the Notes represented by a Global Certificate shall (unless such Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note or a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

CANCELLATION

Cancellation of any Note represented by a Global Note or Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note or Global Certificate.

PURCHASE

Notes represented by a Global Note or Global Certificate may only be purchased by the Issuer, the Guarantor or any of their respective Subsidiaries if they are purchased together with the right to receive all future payments of interest and Instalment Amounts (if any) thereon.

ISSUER'S OPTIONS

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain, the certificate numbers of Notes drawn in respect of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, DTC, the CMU or any other clearing system (as the case may be).

NOTEHOLDERS' OPTIONS

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note or Global Certificate may be exercised by the holder of the Global Note (in accordance with the standard procedures of the relevant clearing system) giving notice to the Issuing and Paying Agent or (in respect of Notes represented by a Global Certificate) the Registrar or Transfer Agent or (in respect of Notes lodged with the CMU) the CMU Lodging and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Global Note or Global Certificate to the Issuing and Paying Agent, the relevant Registrar, a Transfer Agent or the CMU Lodging and Paying Agent (or, in each case, to a Paying Agent acting on their behalf), as the case may be, for notation.

TRUSTEE'S POWERS

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

NOTICES

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear and/or Clearstream, the CMU, DTC or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the relevant clearing system.

PARTLY PAID NOTES

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes or Global Certificates. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note or Global Certificate representing such Notes may be exchanged for an interest in a Permanent Global Note, a Global Certificate, Definitive Notes or definitive Certificates (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[EU MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")][EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market.] Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market

assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Important Notice to Prospective Investors*" appearing on pages [•] of the Offering Circular, and CMIs (as defined in the Offering Circular) should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)*" appearing on pages [•] of the Offering Circular.]

Pricing Supplement dated

State Grid Overseas Investment (BVI) Limited
国家电网海外投资(BVI)有限公司

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*] due [•]
under the US$15,000,000,000 Guaranteed Medium Term Note Programme guaranteed by
State Grid Corporation of China

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Trust Deed dated on or about June 4, 2025. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular (as defined below). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular dated June 4, 2025 (the "**Offering Circular**").

[*The following language applies where the relevant Series of Notes will be listed on the Hong Kong Stock Exchange*

This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) ("**Professional Investors**") only.

[Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, The Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, or the Issuer, the Guarantor and the Group, or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.]

The Pricing Supplement includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to the Issuer and the Guarantor. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in the Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote directions for completing the Pricing Supplement*.]

1.	Issuer:	State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司 (formerly known as State Grid Overseas Investment (2016) Limited 国家电网海外投资(2016)有限公司)
2.	Guarantor:	State Grid Corporation of China
	[(i)] Series Number:	[•]
	[(ii)] Tranche Number:	[•]
	[(iii)] Date on which the Notes will be consolidated to form a single Series:	The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [l] below, which is expected to occur on or about [date]] [Not Applicable]
3.	Specified Currency or Currencies:	[•]
4.	Aggregate Nominal Amount:	
	[(i)] Series:	[•]

	[(ii)] Tranche:[1]	[•]
5.	[(i)] Issue Price:	[•]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	[(ii) Net proceeds:	(*Required only for listed issues*)]
	[(iii) Use of proceeds:	(*Required if different from Offering Circular*)]
6.	(i) Specified Denominations:[2]	[•]
	(ii) Calculation Amount:	[•]
	(iii) Issue Date:	[•]
	(iv) Interest Commencement Date:	[Specify/Issue date/Not Applicable]
7.	Maturity Date:	[specify date (*for Fixed Rate Notes*) or (*for Floating Rate Notes*) *Interest Payment Date falling in or nearest to the relevant month and year*][3]
8.	Interest Basis:	[[•]% Fixed Rate] [specify reference rate] +/-% [Floating Rate] [Zero Coupon] [Dual Currency Interest] [Other (*specify*)] (further particulars specified below)
9.	Redemption/Payment Basis:	[Redemption at par] [Dual Currency Redemption] [Partly Paid] [Instalment] [Other (*specify*)]
10.	Change of Interest or Redemption/ Payment Basis:	[*Specify details of any provision for change of Notes into another interest basis or redemption/payment basis*]

1 NB consider registration of guarantee and whether further Notes can only be fungible after registration.

2 If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording set out in the Guidance Note published by ICMA in November 2006 (or its replacement from time to time) as follows: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000. No notes in definitive form will be issued with a denomination above €199,000. In relation to any issue of Notes which are a "Global Note exchangeable to definitive Notes" in circumstances other than in the limited circumstances specified in the Global Note, such Notes may only be issued in denominations equal to, or greater than, €100,000 (or equivalent) and multiples thereof."

3 Note that for Renminbi and Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

11.	Put/Call Options:	[Investor Put Option][4] [Issuer Call Option] [Relevant Event Put Option] [(further particulars specified below)]
12.	Date of [Board] approval for issuance of Notes and Guarantee obtained:	[and, respectively] (*Only relevant Board (or similar) authorisation is required for the particular tranche of Note or related Guarantees*)
13.	Listing:	[The Stock Exchange of Hong Kong Limited/Other (specify)/None] (*For Notes to be listed on the [Hong Kong Stock Exchange], insert the expected effective listing date of the Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Method of distribution:	[Syndicated/Non-syndicated]
15.	Fixed Rate Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Rate[(s)] of Interest:	[•]% per annum [payable [annually/semi-annually/ quarterly/monthly/other (specify)] in arrear] *(If payable other than annually, consider amending Condition 5)*
	(ii) Interest Payment Date(s):	in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Center(s) for the definition of "Business Day"*]/not adjusted]
	(iii) Fixed Coupon Amount[(s)]: *(applicable to Notes in definitive form)*	per Calculation Amount[5]
	(iv) Broken Amount: *(applicable to Notes in definitive form)*	per Calculation Amount, payable on the Interest Payment Date falling [in/on] *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate]*

4 For as long as Bearer Notes issued in accordance with TEFRA D are represented by a Temporary Global Note, an Investor Put shall not be available unless the certification required under TEFRA D with respect to non-U.S. beneficial ownership has been received by the Issuer or the Agent.

5 For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards in the case of Renminbi denominated Fixed Rate Notes and to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards."

	(v) Day Count Fraction:	[30/360 or Actual/Actual (ICMA/ISDA) or Actual/365 (Fixed)[6] or Other] *(Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in U.S. dollars or Hong Kong dollars, unless the client requests otherwise)*
	(vi) Determination Date(s):	in each year. [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
16.	Floating Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Specified Period(s)/Specified Interest Payment Dates:	[•]
	(ii) Business Day Convention:	[Floating Rate Note Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(iii) Additional Business Center(s):	[•]
	(iv) Manner in which the Rate(s) of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/other *(give details)*]
	(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent):	[•]
	(vi) Screen Rate Determination:	
	– Reference Rate:	(*Either EURIBOR, CNH HIBOR, HIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
	– Interest Determination Date(s):	(*First day of each Interest Period if HIBOR, the second business day in Hong Kong prior to the start of each Interest Period if CNH HIBOR, and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR*)
	(vii) ISDA Determination:	
	– Floating Rate Option:	[•]

6 Applicable to Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes.

	– Designated Maturity:	[•]
	– Reset Date:	[•]
	(viii) Margin(s):	[+/-] [•]% per annum
	(ix) Minimum Rate of Interest:	[•]% per annum
	(x) Maximum Rate of Interest:	[•]% per annum
	(xi) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360, 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)] [Other] (*See Condition 5 for alternatives*)
	(xii) Linear Interpolation	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
17.	Zero Coupon Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Accrual Yield:	[•]% per annum
	(ii) Reference Price:	[•]
	(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment:	(*Consider applicable day count fraction if not U.S. dollar denominated*)
	(iv) Any other formula/basis of determining amount payable:	[•]
18.	Dual Currency Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give or annex details]

(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Issuing and Paying Agent):	[•]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[•]

PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call Option	[Applicable/Not Applicable] (*If not applicable, delete the Remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[per Calculation Amount/specify other/see Appendix]
(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[•]
(iii)	If redeemable in part:	
(a)	Minimum Redemption Amount:	[•]
(b)	Maximum Redemption Amount	[•]
(iv)	Notice period (if other than as set out in the Conditions):	*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
20.	Investor Put Option[7]	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

7 In the case of Bearer Notes which were issued in accordance with TEFRA D and are represented by a Temporary Global Note exchangeable for interests in a Permanent Global Note or Definitive Notes, certification of non-U.S. beneficial ownership must be received as required under TEFRA D.

	(i) Optional Redemption Date(s):	per Calculation Amount *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
21.	Final Redemption Amount:	[per Calculation Amount/specify other/see Appendix]
22.	Early Redemption Amount payable on redemption for taxation or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	**[Bearer Notes**:[8] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for **Definitive** Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on days' notice[9]] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]][10] **[Registered Notes**: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances specified in the Global Certificate]
24.	Additional Financial Center(s) or other special provisions relating to payment dates:	[Not Applicable/give details] [*Note that this item relates to the date and place of payment, and not interest period end dates*]
25.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]

8 Bearer Notes with a term of more than 365 days (taking into account any unilateral rollover or extension rights) must be issued in compliance with TEFRA C or TEFRA D. If such Bearer Notes are held through the CMU, they must be issued under TEFRA C if at the time of issuance the CMU Lodging and Paying Agent does not have in place certification procedures necessary to comply with TEFRA D.

9 Not applicable to Bearer Notes issued in compliance with TEFRA D, which must initially be represented by a Temporary Global Note.

10 Not applicable to Bearer Notes issued in compliance with TEFRA D, which must initially be represented by a Temporary Global Note.

26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/give details] [*N.B.: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
27.	Details relating to Instalment Notes:	[Not Applicable/*give details*]
28.	Redenomination applicable:	[Redenomination [not] applicable] [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*]
29.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

30.	(i) If syndicated, names and addresses of Managers and commitments:	[Not Applicable/*give names*]
	(ii) Date of Subscription Agreement:	[•]
	(iii) Stabilising Manager (if any):	[Not Applicable/*give name*]
	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
31.	Total commission and concession:	[•]% of the Aggregate Nominal Amount
32.	U.S. Selling Restrictions:	[Reg. S Category 2; TEFRA D/TEFRA C/TEFRA; Rule 144A; Not Applicable][11]
33.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
34.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
35.	Additional selling restrictions:	[•]

11 "TEFRA not applicable" is only available for Bearer Notes with a term of 365 days or less (taking into account any unilateral extensions and rollovers) or Registered Notes.

OPERATIONAL INFORMATION

36.	ISIN Code:	[•]
37.	Common Code:	[•]
38.	CMU Instrument Number:	[•]
39.	CUSIP Number:	[•]
40.	Any clearing system(s) other than Euroclear, Clearstream, the CMU Service, DTC and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
41.	Delivery:	Delivery [against/free of] payment
42.	Additional Paying Agents (if any):	[•]

HONG KONG SFC CODE OF CONDUCT

43.	Rebates:	[A rebate of [•] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to [Bonds/Notes/Securities] subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the [Bonds/Notes/Securities] distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
44.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*]/[Not Applicable]
45.	Marketing and Investor Targeting Strategy	[*if different from the programme OC*]

GENERAL

46.	Issuer's Legal Entity Identifier (LEI) Code:	3003006V8BHG5158QO96
47.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of, producing a sum of (for Notes not denominated in U.S. dollars):	[Not Applicable/US$]
48.	In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong:	[Not Applicable/Luxembourg]
49.	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:	[Not Applicable/Hong Kong]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the US$15,000,000,000 Medium Term Note Programme of State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司.]

[USE OF PROCEEDS

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[STABILISATION

In connection with the issue of any Tranche of Notes, one or more of the Dealers named as Stabilising Manager (or persons acting on behalf of any Stabilising Manager(s)) in this Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no obligation on the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) to do this. Such stabilising if commenced may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.]

[MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer or of the Group since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial condition or prospects of the Issuer or of the Group since [*insert date of last published annual accounts*].]

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

STATE GRID OVERSEAS INVESTMENT (BVI) LIMITED
国家电网海外投资(BVI)有限公司

By: _____ Duly authorised

Signed on behalf of the Guarantor:

STATE GRID CORPORATION OF CHINA
(國家電網有限公司)

By: _____ Duly authorised

OVERVIEW OF THE PRC'S ECONOMY AND POWER INDUSTRY

The PRC is one of the fastest growing economies in the world. Between 2009 and 2024, the PRC's GDP grew from RMB34,850 billion to RMB134,910 billion. According to the 14th Five-Year Plan for National Economic and Social Development (the "**14th Five-Year Plan**"), the Chinese government anticipates that the average annual GDP growth rate will remain within a reasonable range during the period from 2021 to 2025. According to the preliminary estimates by the National Bureau of Statistics, the PRC's GDP in 2024 is estimated to grow by 5.0 per cent. compared to the previous year.

The growth of the PRC's GDP is closely correlated to the growth of total power consumption in the PRC. The rapid growth of power consumption has largely been driven by the process of rapid industrialization and increased residential electricity demand resulting from the rise in per capita income since 2008. According to statistics from the China Electricity Council, total electricity consumption in the PRC increased from 3,660TWh in 2009 to 9,850TWh in 2024, representing an average year-on-year growth rate of 6.82 per cent. In 2023, the recovery and improvement of the national economy, continued structural transformation and optimisation of industries, steady recovery of the services sector, rural electrification and industrial upgrades, the rise of emerging industries, and enhanced electricity production and supply capacity collectively drove further growth in total electricity consumption of the PRC. In 2024, total electricity consumption in the PRC increased by 6.8 per cent year-on-year.

Exhibit 1: GDP Growth vs. Power Consumption Growth

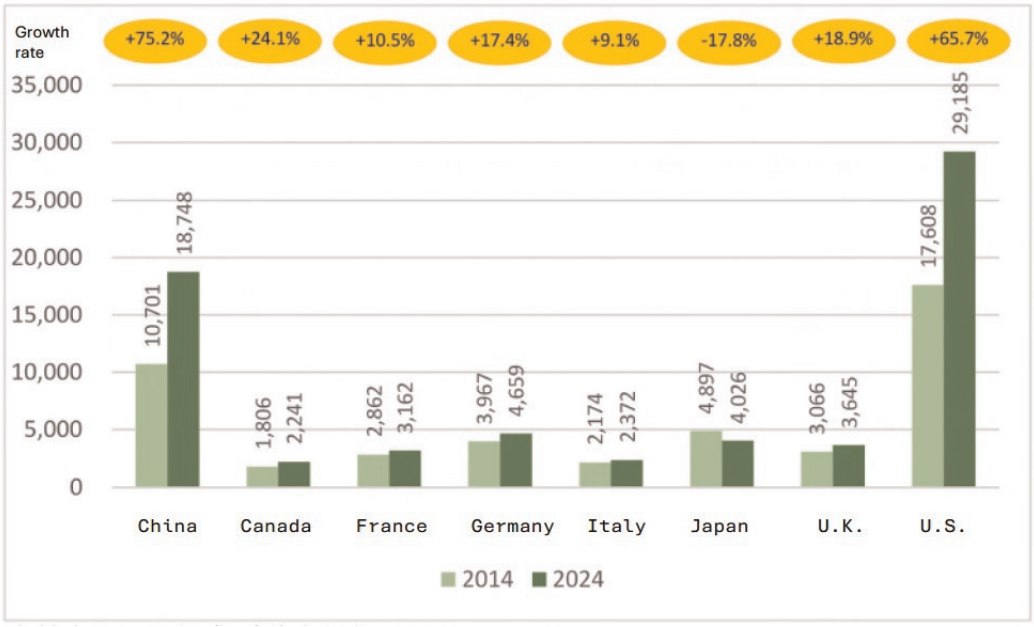
	GDP Growth Rate Over Preceding Year	Power Consumption Growth Rate Over Preceding Year
	(%)	*(%)*
2020	2.2	3.1
2021	8.4	10.3
2022	3.0	3.6
2023	5.2	6.7
2024	5.0	6.8

Source: National Bureau of Statistics of China (GDP Growth Rate), National Energy Administration (Power Consumption)

As the charts below show, the growth rate for China GDP, GDP per capita, urbanization, electricity consumption and electricity consumption per capita grew faster in the PRC from 2014 to 2023 than those in the G7 countries. However, the PRC's urbanization rate and per capita power consumption are still much lower than those of the G7 countries, which indicate growth potential for the PRC's power industry.

Exhibit 2: GDP – The PRC vs. G7 Countries

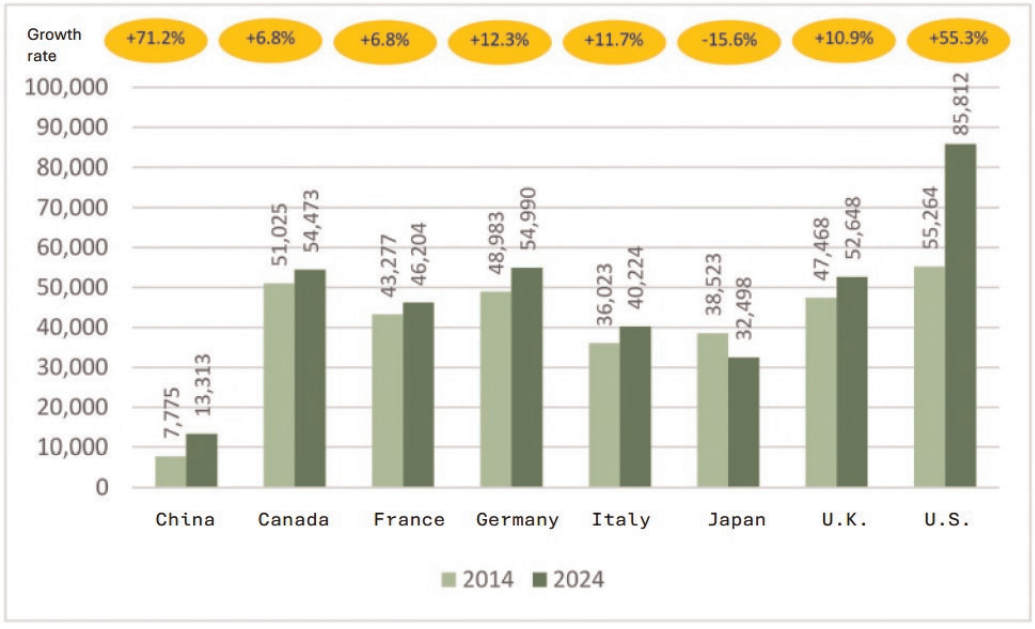
(*Billion in US$)*



Source: International Monetary Fund (IMF)

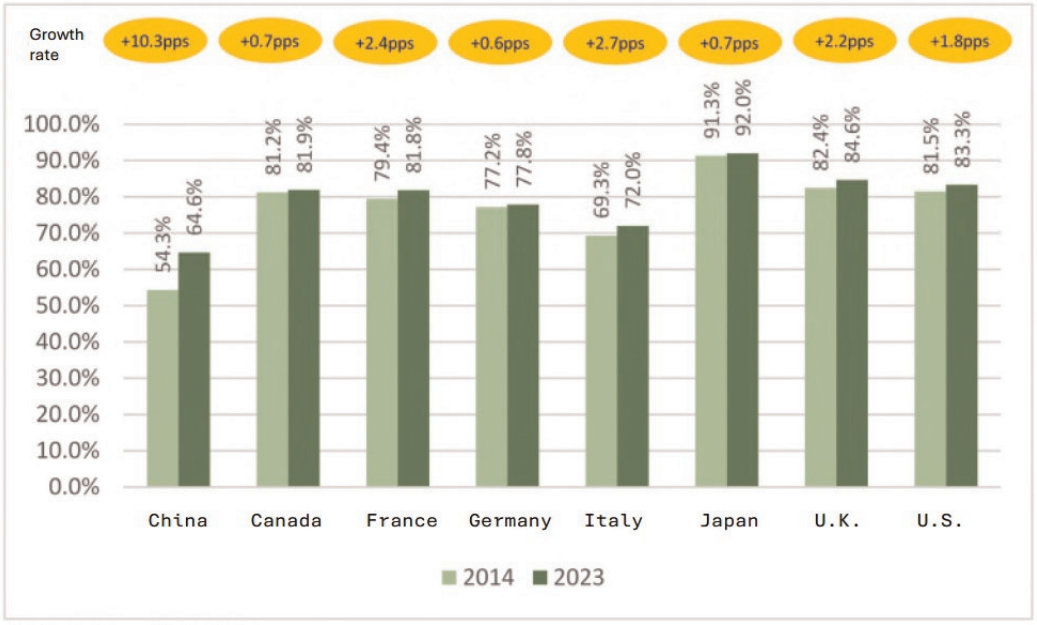
Exhibit 3: Per Capital GDP – The PRC vs. G7 Countries

(*US$*)



Source: International Monetary Fund (IMF)

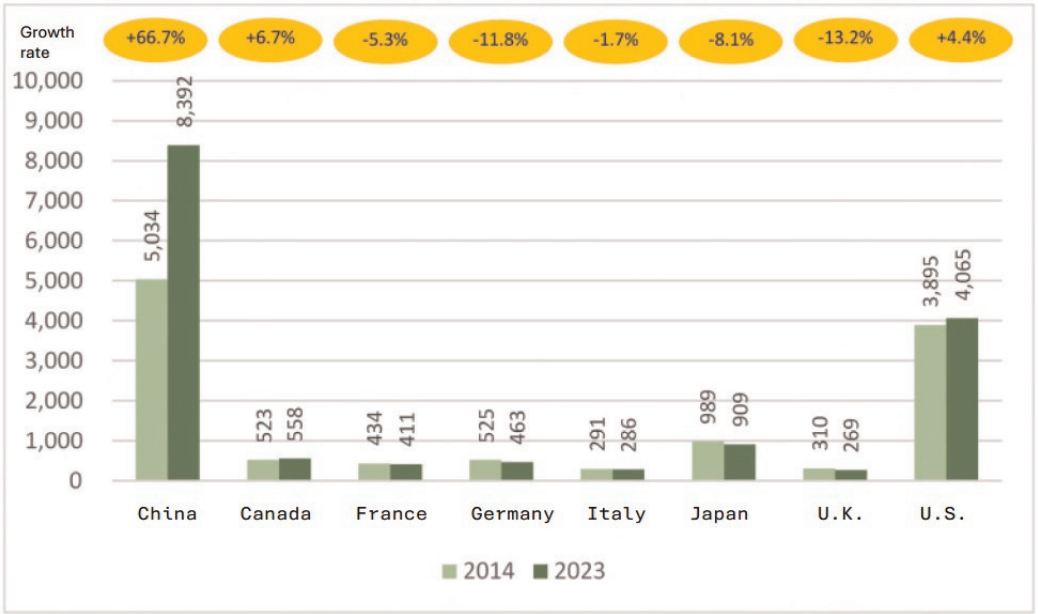
Exhibit 4: Urbanization Rate – The PRC vs. G7 Countries



Source: World Bank

Exhibit 5: Power Consumption – The PRC vs. G7 Countries

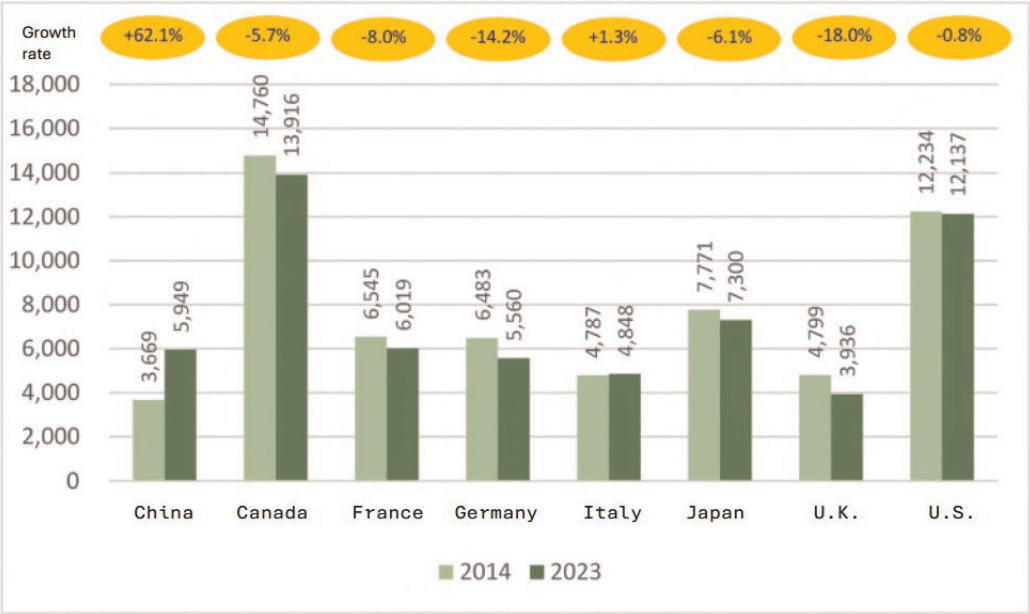
(*TWh*)



Source: Enerdata

Exhibit 6: Per Capita Power Consumption – The PRC vs. G7 Countries

(*kWh*)



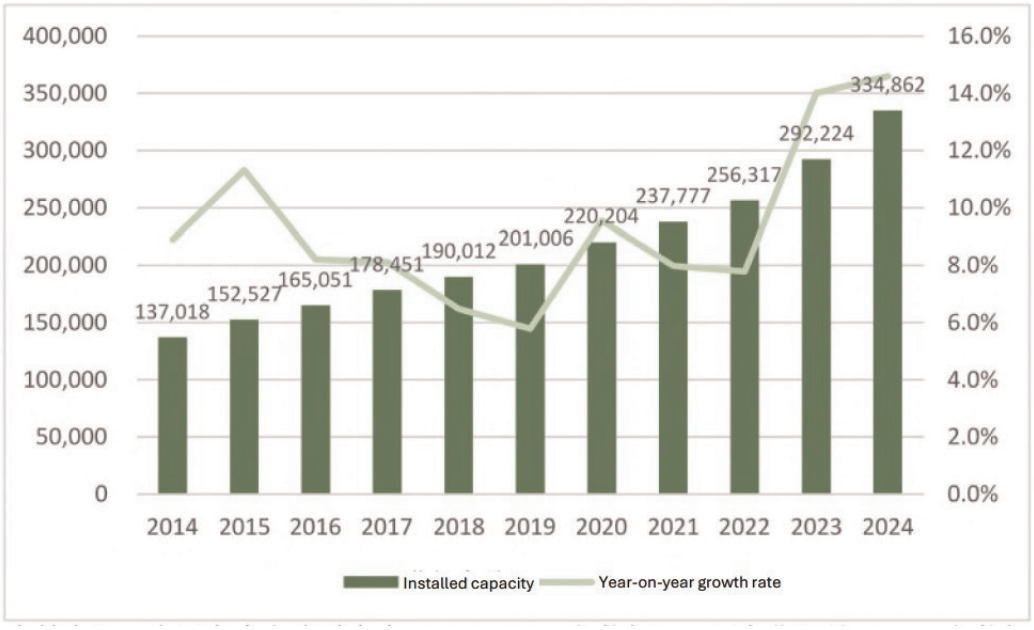
Source: Enerdata (Power Consumption), World Bank (Population)

POWER SUPPLY IN THE PRC

In the past decade or so, the total power installed capacity, total power generation and total power consumption in the PRC have experienced rapid growth. According to statistics from the National Energy Administration, as at the end of 2024, the PRC's total cumulative installed capacity was approximately 3,350GW, representing a year-on-year growth of 14.6 per cent., of which the installed capacity of solar power was approximately 890GW, representing a year-on-year increase of 45.2 per cent., and the installed capacity of wind power was approximately 520GW, representing a year-on-year increase of 18.0 per cent. In 2024, the total electricity consumption in the PRC reached approximately 9,852.1TWh, representing a year-on-year increase of 6.8 per cent. According to statistics from the China Electricity Council, the PRC's total power generation in 2023 was approximately 9,456.4TWh, representing a year-on-year increase of 6.9 per cent., 3.2 percentage points higher than the growth rate in the previous year.

Exhibit 7: Power Installed Capacity in the PRC

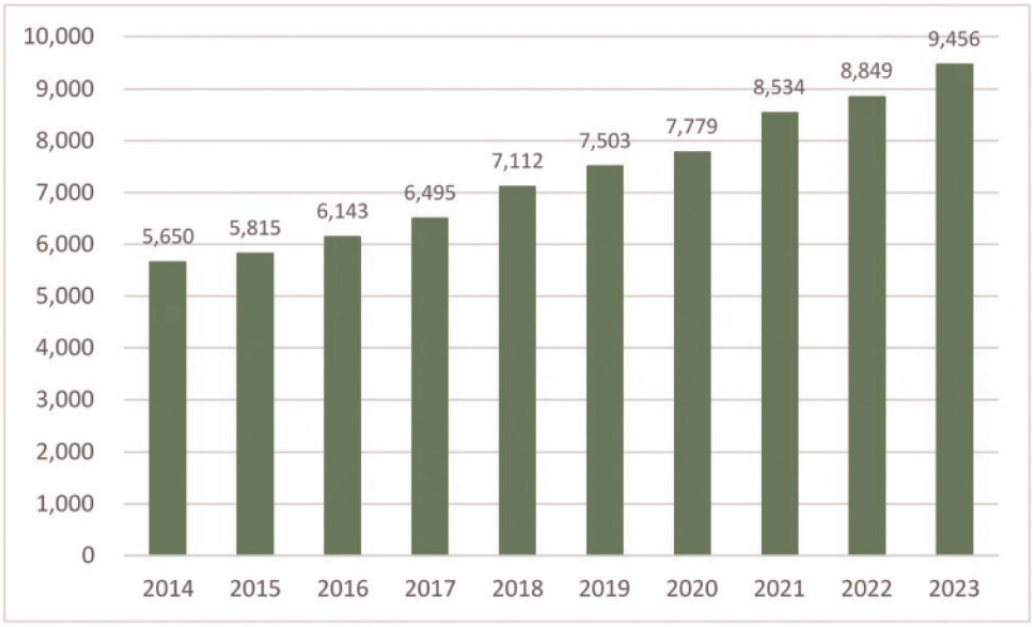
(*10MW*)



Source: China Electricity Council (Year 2014-2023 Data); National Energy Administration (Year 2024 Data)

Exhibit 8: Total Power Generation in the PRC

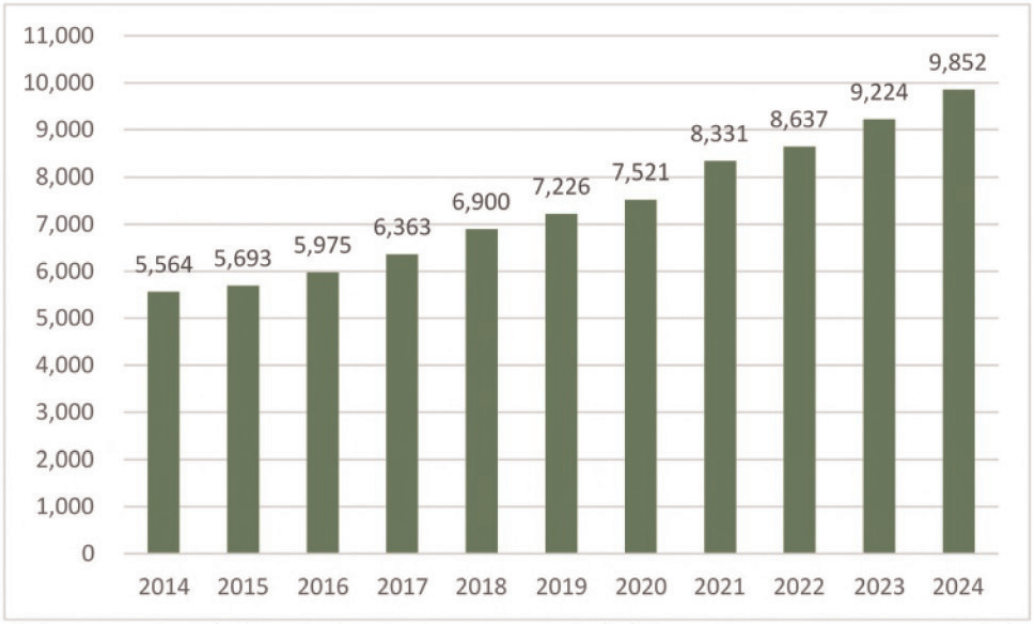
(*TWh*)



Source: China Electricity Council

Exhibit 9: Total Social Power Consumption in the PRC

(*TWh*)



Source: China Electricity Council (Year 2014-2023 Data); National Energy Administration (Year 2024 Data)

The table below shows the breakdown of the PRC's total power installed capacity by power type as of December 31, 2022, 2023 and 2024.

Exhibit 10: Installed Capacity Breakdown by Power Type in the PRC

	As of December 31, 2022		As of December 31, 2023		As of December 31, 2024	
	Installed Capacity	Percentage	Installed Capacity	Percentage	Installed Capacity	Percentage
	(GW)	*(%)*	*(GW)*	*(%)*	*(GW)*	*(%)*
Fuel Type						
Thermal Power	1,335	52.1	1,391	47.6	1,444	43.1
Hydropower	414	16.2	422	14.5	436	13.0
Wind Power	366	14.3	441	15.1	521	15.5
Solar Power	393	15.3	610	20.9	887	26.5
Nuclear Power	56	2.2	57	1.9	61	1.8
Total	2,563	100.0	2,922	100.0	3,349	100.0

Source: China Electricity Council

DEVELOPMENT OF RENEWABLE ENERGY AND CHALLENGES TO POWER GRIDS

President Xi Jinping made a solemn commitment to the international community at the General Debate of the Seventy-fifth UN General Assembly that China will strive to achieve Carbon Peak and Neutrality ("碳達峰、碳中和"). At the Climate Ambition Summit, specific goals were set that by 2030, China's carbon dioxide emissions per unit of GDP are expected to decline by over 65 per cent. from 2005 and non-fossil fuel energy will account for about 25 per cent. of primary energy consumption. The total installed capacity of wind power and solar power will exceed 1.2 billion kilowatts.

The White Paper on China's Energy Transition sets out that China is advancing the orderly development of large-scale wind and photovoltaic (PV) power bases, with a focus on the Kubuqi, Ulan Buh, Tengger, and Badain Jaran deserts, and has planned the construction of 450GW of large-scale wind and PV power base projects. The National Energy Administration's "Guidelines for Energy Work in 2025" propose the active promotion of the second and third batches of large-scale wind and PV power bases under the "Sand, Gobi and Desert" initiative, as well as integrated wind, solar, and hydropower bases in major river basins. The guidelines also emphasizes the importance of a scientifically planned layout for the development of new energy mega-bases under the "15th Five-Year Plan" framework within the "Sand, Gobi and Desert" regions.

In line with the construction requirements for a new energy supply and consumption system – centred on large-scale wind and solar bases, supported by clean, efficient, advanced coal power, and underpinned by stable and reliable ultra-high voltage (UHV) transmission lines, it is expected that a number of UHV projects will also need to be built during the "15th Five-Year Plan" period to facilitate the outward transmission and consumption of power generated from new energy mega-bases in the "Sand, Gobi and Desert" regions. Currently, the relevant national authorities are organising research and preparing the power development plan for the "15th Five-Year Plan" period.

ELECTRICITY TRANSMISSION AND DISTRIBUTION

Overview

The PRC's electricity transmission and distribution industry draws significant attention from the government and has developed in an orderly manner. As at December 31, 2023, according to the preliminary statistics, the total circuit length of transmission lines at 35 kV and above reached 2.425 million kilometres, representing a year-on-year increase of 3.4 per cent., of which the circuit length of transmission lines at 220 kV and above was 919,667 kilometres, representing a year-on-year growth of 4.6 per cent. In addition, according to the preliminary statistics, the transformation capacity of substations at 35 kV and above reached 8,140GVA, representing a year-on-year increase of 5.3 per cent., of which 220 kV and above accounted for 5,424 GVA, representing a year-on-year increase of 5.7 per cent.

Major power grid companies

In December 2002, the PRC power industry restructuring was carried out with the principle of separating power generation and power grid. As a result, the State Power Corporation was reorganized into two power grid companies, five power generation groups and four support groups.

The PRC's main electricity transmission and distribution companies include 1.) State Grid Corporation with business covering 26 provinces, autonomous regions or centrally managed municipalities, 2.) China Southern Power Grid Co., Ltd. with business covering five provinces (Guangdong, Guangxi, Yunnan, Guizhou and Hainan), and 3.) Inner Mongolia Electric Power Group Co., Ltd., a provincial electricity transmission and distribution company with business covering the central and western part of Inner Mongolia.

Investment in the power industry

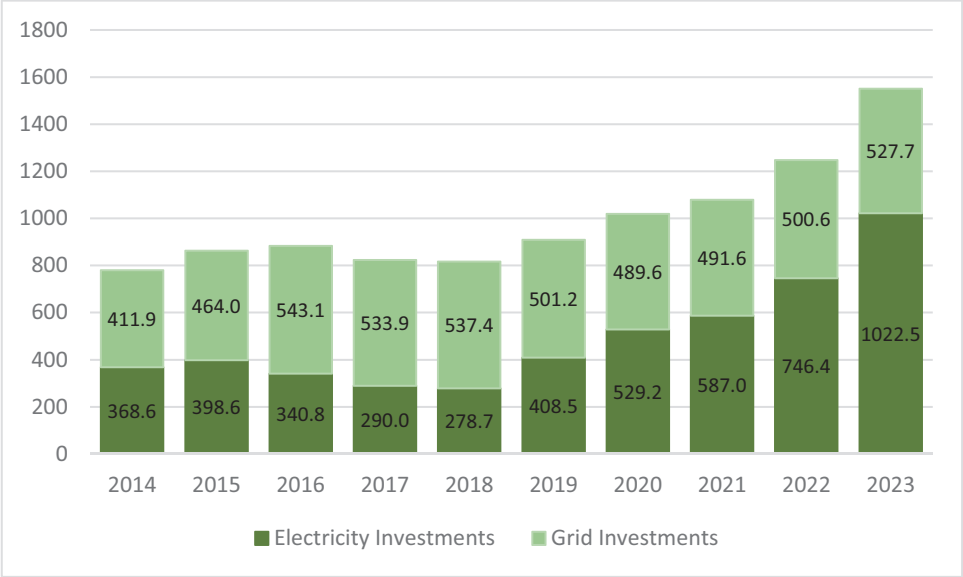
The power industry in China has focused on adjusting and optimising the energy structure and continuing to promote a green and low-carbon energy transition. In 2023, major power companies in China completed RMB1,022.5 billion in investments in power generation projects, representing a year-on-year increase of 37 per cent, maintaining a rapid growth trend. Investment in power generation has accelerated the shift towards green and low-carbon energy. In 2023, investment in wind power reached approximately RMB275.3 billion, representing a year-on-year increase of 36.9 per cent., solar power investment amounted to approximately RMB431.6 billion, representing a year-on-year increase of 50.7 per cent. Investment in non-fossil fuel power generation increased by 39.2 per cent. compared to the

previous year and accounted for 89.2 per cent of total power generation investment. In 2023, investment in China's power grid reached approximately RMB527.7 billion, representing a year-on-year increase of 5.4 per cent.

In recent years, China has maintained significant levels of investment in the power sector. The chart below shows total investment in the PRC power sector from 2014 to 2023.

Exhibit 11: Total Investment in Power Sector in the PRC

(*billion in RMB*)



Source: China Electricity Council

Investment in power generation increased from RMB368.6 billion in 2014 to RMB1,022.5 billion in 2023, representing a CAGR of 12.0 per cent. Investment in the power grid increased from RMB411.9 billion in 2014 to RMB527.7 billion in 2023, representing a CAGR of 2.79 per cent.

The construction of China's power grid still faces many new demands. At the General Debate of the Seventy-fifth UN General Assembly, President Xi Jinping formally announced that China will enhance its Nationally Determined Contributions by adopting more robust policies and measures to reach peak carbon dioxide emissions by 2030 and strive to achieve carbon neutrality by 2060. The plan for modern power system has been published, requiring in-depth promotion of energy consumption revolution, supply revolution, technological revolution, and institutional revolution, strengthening international cooperation in all aspects, effectively achieving carbon peak and neutrality objectives, focusing on enhancing the security and stability of the energy supply chain, promoting green and low-carbon transformation of energy production and consumption methods, striving to modernise the energy industry value chain, accelerating the construction of a clean, low-carbon, safe and efficient energy system, and accelerating the construction of an energy powerhouse.

Connecting power generation and consumption, the power grid is an important network platform, the carrier of the new energy supply and consumption system, and the central link of energy transformation. The Company will firmly develop clean and low-carbon energy, pay solid foundation for energy supply, pay special attention to energy security, secure energy independence, motivate energy innovation, further facilitate energy saving and efficiency improvement, make every effort to ensure power supply, actively promote energy transformation, and always adhere to the bottom line of major risk prevention and control. With respect to supply, the Company will promote the gradual transformation from fossil

energy to clean energy, and build a diversified clean energy supply system. With respect to consumption, the Company will continue to promote the reform of energy consumption methods, continuously expand the scope of new energy replacement, carry out electric energy upgrade in an orderly manner, accelerate the formation of green production and lifestyle, and continue to improve the level of electrification. With respect to power grid, the Company will promote the construction of a clean energy optimal allocation platform, improve the utilization rate of UHV transmission channels, speed up the intelligent transformation of power grid infrastructure and the construction of smart micro grids, improve the complementary and intelligent adjustment capabilities of the power system, and give full play to the synergy among electricity, gas, heat, cooling, hydrogen and other different energy systems and digital empowerment effects, and improve the efficiency of optimal allocation of energy resources. The Company will accelerate the construction of a new power system, strengthen the connection between the power grid and the load storage, improve the clean energy consumption and storage capacity, enhance the capacity of transmission and distribution to remote areas, promote the flexible transformation of coal power, speed up the construction of pumped storage power stations and the large-scale application of new energy storage technologies, and promote the research and development of new technologies in the power system and the innovation of supporting policies and mechanisms.

Safety and Reliability of the Power Grid

The PRC government attaches great importance to the safety of the power grid, which has an outstanding record of safety and reliability. There has been no large-scale power outage since our establishment. The power grid also provides a stable supply of electricity with high reliability. According to the latest 2024 data, the reliability indices of 13 types of transmission and transformation facilities with voltage levels of 220 kV and above are maintained at a high level nationwide. Specifically, the availability factors of overhead lines, transformers, and circuit breakers with voltage levels of 220 kV and above in the Company's service area are 99.665 per cent., 99.760 per cent., and 99.808 per cent., respectively. The average power supply reliability rate (ASAI-1) of 10 kV users in cities is 99.979 per cent. In 2024, the Company implemented its "14th Five-Year Plan" in an orderly manner, successfully completed its planned targets, and achieved a reliability rate of power supply of 99.924 per cent.

Electricity Price

After the reform of transmission and distribution pricing, the transmission and distribution tariffs are determined in advance for each province based on the "permitted cost plus reasonable profit" method. Permitted revenue consists of three components: permitted cost, reasonable profit, and taxes. Permitted cost includes necessary costs for providing transmission and distribution services, such as depreciation and operation and maintenance expenses, and is divided into historical costs and forecasted costs. Reasonable profit is determined based on effective transmission and distribution assets, taking into account a reasonable rate of return.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth our capitalization and indebtedness as of December 31, 2024. You should read this table in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2024, and related notes included elsewhere in this Offering Circular.

	As of December 31, 2024[1]	
	RMB	*US$*
	(in millions)	
Indebtedness[2]		
Indebtedness – due within one year (due within 2025)	619,640.72	84,905.55
Indebtedness – due after one year (due after 2025)	729,696.30	99,985.79
Total indebtedness[3]	**1,349,337.02**	**184,891.34**
Paid-in capital	1,932,343.32	264,777.11
Capital reserve	247,998.56	33,981.72
Surplus reserve	97,917.91	13,417.09
General risk reserves	6,984.09	956.99
Undistributed profit	319,304.40	43,752.32
Other comprehensive income	-46,089.20	-6,315.32
Minority interest	97,906.84	13,415.57
Total owners' equity	**2,666,232.14**	**365,337.37**
Total capitalization[4]	**4,015,569.16**	**550,228.71**

Notes:

(1) Except as disclosed herein, there have been no material changes in our capitalization and indebtedness since December 31, 2024.

(2) Indebtedness does not include amounts due to our subsidiaries.

(3) Total indebtedness = short term borrowings + long-term borrowings + long-term debt due within one year + bonds payable. Total interest-bearing debt does not include payables to our subsidiaries.

(4) Total capitalization = total interest-bearing indebtedness + total owners' equity.

USE OF PROCEEDS

We intend to use the net proceeds from each issue of Notes ("**Net Proceeds**") for refinancing and general corporate purposes, subject to compliance with the relevant laws and regulations.

The foregoing statement represents our current intentions based upon our present plans and business conditions regarding the utilization and allocation of the Net Proceeds. Our management, however, will have significant flexibility and discretion to apply the Net Proceeds subject to applicable PRC laws and regulations. If an unforeseen event occurs or business conditions change, we may use the Net Proceeds differently than as described in this Offering Circular subject to the applicable PRC laws and regulations.

DESCRIPTION OF THE ISSUER

FORMATION

The Issuer was incorporated with limited liability on April 15, 2016 in the British Virgin Islands under the BVI Business Companies Act, 2004. Its registration number is 1911506. Its registered office is located at Vistra Corporate Services Center, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The telephone number of the Issuer is +852-2511-6390. The Issuer is wholly owned by us through our wholly owned subsidiary, State Grid Overseas Investment Limited, a company incorporated with limited liability in Hong Kong.

BUSINESS ACTIVITY

Under the Issuer's memorandum and articles of association, the Issuer has full capacity to carry on or undertake any business or activity, do any act or enter into any transaction that is not prohibited under any law for the time being in force in the British Virgin Islands. The Issuer's primary purpose is to act as one of our financing subsidiaries. As of the date of this Offering Circular, the Issuer has no employees and no material assets, and will conduct no business except in connection with the issuance of the Notes and other securities and borrowings of indebtedness, and to loan or advance the net proceeds from the issuance of the Notes and such other securities and borrowings extended to offshore subsidiaries controlled by the Guarantor, or to repay the offshore indebtedness of the Guarantor.

In May 2016, the Issuer issued two tranches of USD notes in an aggregate principal amount of USD1 billion and two tranches of EUR notes in an aggregate principal amount of EUR1 billion.

In April 2017, the Issuer established the Programme, with an initial program size of USD7.7 billion and issued four tranches of USD notes in an aggregate principal amount of USD5 billion.

In April 2018, the Issuer further updated the Programme by increasing its size to USD10 billion and issued two tranches of USD notes in an aggregate principal amount of USD1.75 billion and two tranches of EUR notes in an aggregate principal amount of EUR850 million.

On April 11, 2019, the Issuer through private placement issued two tranches of HKD notes in an aggregate principal amount of HKD3 billion and one tranche of USD notes in an aggregate principal amount of USD250 million.

On April 12, 2019, the Issuer further through private placement issued one tranche of HKD notes in an aggregate principal amount of HKD675 million.

In July 2020, the Issuer has further updated the Programme with size increase to USD15 billion and has issued two tranches of USD notes in an aggregate principal amount of USD1.45 billion and two tranches of EUR notes in an aggregate principal amount of EUR1.6 billion.

In September 2021, the Issuer has issued under the Programme one tranche of USD notes in an aggregate principal amount of USD600 million and one tranche of EUR notes in an aggregate principal amount of EUR800 million.

In the future, the Issuer may, either itself or through direct and indirect subsidiaries and associated companies, issue further bonds and engage in other business activities related to us and may incur substantial liabilities and indebtedness.

DIRECTORS AND OFFICERS

The directors of the Issuer are Ou Xiaoming, Chen Lei and Dong Jun. Their business address is at Suite 2101-05, 21/F, Great Eagle Center, 23 Harbour Road, Wanchai, Hong Kong. The directors of the Issuer do not hold any shares or options to acquire shares of the Issuer. There are no potential conflicts of interest between any duties of our directors to the Issuer, and their personal interests and/or other duties.

SHARE CAPITAL

The Issuer is authorized to issue a maximum of 10 ordinary shares of US$1.00 each, all of which have been issued and are fully paid. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

FINANCIAL INFORMATION OF THE ISSUER

Since its incorporation, the Issuer has not engaged in any activities other than those relating to incorporation, authorisation, execution and issuance of bonds. The documents and matters referred to or mentioned in this Offering Circular are or will be incidental or ancillary to the foregoing purposes.

Save as disclosed in this Offering Circular, as of the date of this Offering Circular, the Issuer has no outstanding borrowings or liabilities of a borrowing nature, including issued or incurred but undrawn borrowing capital, term loans, indebtedness or acceptance credits, mortgages, charges, or guarantees, or other contingent liabilities. Further, the Issuer has no other outstanding indebtedness, subscription rights, allotments or options.

The Issuer's financial year runs from January 1 to December 31. Since its incorporation, there have been no material changes in its activities. Additionally, the Issuer has not prepared any financial statements since its date of incorporation.

CHANGE OF ISSUER NAME

On June 25, 2021, the name of the Issuer changed from State Grid Overseas Investment (2016) Limited 国家电网海外投资(2016)有限公司 to State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司.

OUR HISTORY

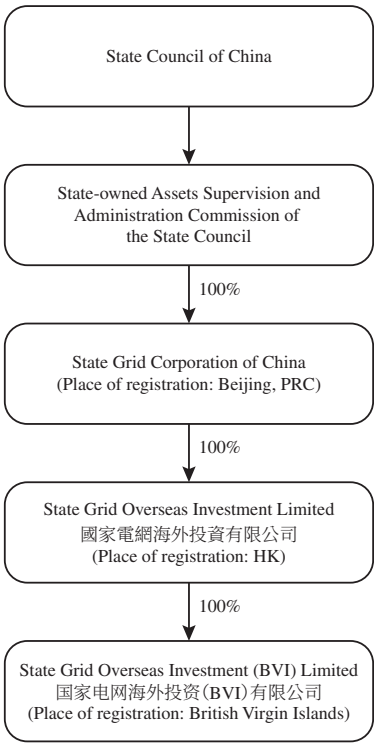
We were established as State Grid Corporation of China on December 29, 2002 in accordance with the Company Law of the PRC. We are a wholly state-owned company under the direct administration of the central government, with a registered capital of RMB1,304.52 billion. Our core business focuses on investment, construction and operation of power grids. We are a critical and large-scale state-owned key enterprise that plays a vital role in maintaining national energy security and supporting the lifeline of the national economy.

In 2015, the State Council initiated a new round of power system reform. This round of reform adheres to the market-oriented reform direction and promotes clean, efficient, safe, and sustainable development. The reform accelerates the establishment of market structures and systems with effective competition, forming mechanisms where the market predominantly determines energy pricing. The reform aims to enhance the sustainable and healthy development of China's electric power industry. Notably, this reform focuses primarily on the establishment of market mechanisms and does not involve major structural changes or asset reorganisations of power grid enterprises.

In November 2017, pursuant to the arrangements made by the SASAC and in accordance with the Company Law of the PRC, we were wholly restructured from a state-owned enterprise wholly owned by the public into a wholly state-owned enterprise. Accordingly, our Chinese name was changed from "State Grid Corporation" to "State Grid Limited Corporation," while our English name remained unchanged.

OUR CORPORATE STRUCTURE

We are a wholly state-owned limited liability company under the direct supervision and control of the central government of the PRC. The SASAC is our sole shareholder. The following chart briefly illustrates our ownership structure and corporate structure.



DESCRIPTION OF THE COMPANY

We are the largest utility corporation in the world in terms of total assets, with considerable competitive advantage within the power transmission, power distribution and power sale industries in China. Our service area comprises 26 provinces, autonomous regions and centrally managed municipalities in China, and reaches approximately 88 per cent. of the national territory and serves a population of over 1.1 billion, including six branches, 27 provincial companies and their municipal and county-level subsidiary companies. In 2024, within SGCC's service area, the maximum power load achieved 1,180GW. We are an integrated power transmission, power distribution and power sales operator with a dominant competitive position within our service area. Through the integrated management of the power transmission, distribution and sales, we have built a power grid network that has the world's largest transmission and distribution capacity and highest voltage level, and have maintained a long-term record of safe and stable operation. According to the rankings published by the "Fortune Global 500," we ranked seventh for five consecutive years from 2011 to 2015, second for three consecutive years from 2016 to 2018, fifth in 2019, third in 2020, second in 2021 and third for three consecutive years from 2022 to 2024. As the world's largest utility corporation and the largest electricity power corporation in China, we bear important responsibilities of implementing China's energy strategy and safeguarding China's energy security and power supply.

We were established on December 29, 2002 under the Company Law of the PRC as a wholly state-owned enterprise directly managed by the central government. We have a registered capital of RMB1,304.52 billion with investment in the construction and operation of the power grids as our core business. We are a mega state-owned key backbone concerning the national energy security and the lifeline of the national economy. Our service area covers 26 provinces, autonomous regions, and centrally managed municipalities in China, reaches approximately 88 per cent. of the national territory and serves a population of over 1.1 billion. Over the past years, we have maintained the world's longest safety record for its mega power grids, completed more than 30 ultra-high voltage transmission projects, and has the world's most powerful power transmission grid and the grid of largest scale of new energy connection. We have consistently ranked first among the Chinese central State-owned enterprises in terms of the number of patents owned. We ranked third in the "Fortune Global 500" in 2024. We were awarded Grade A in the performance appraisal of SASAC for 20 consecutive years. We have been assigned national sovereign level credit ratings by the three major international rating agencies (namely, S&P, Moody's, and Fitch) for 12 consecutive years. In addition, we ranked the first among "China's 500 Most Valuable Brands" for nine consecutive years, ranked the first among the Global Top 50 Utility Brands for seven consecutive years and we are the largest utility company worldwide. We are an innovative enterprise with industry-leading edge and international influence.

We believe our large-scale operation enables us to optimally allocate resources and to invest in the development and application of key technologies, which allow us to further stabilize our operation and enhance our ability to respond to any single policy changes and regional natural disasters. We prioritise the integration of clean energy across our entire grid and maximise the utilisation of pumped-storage units for peak load regulation. In 2024, we achieved an average comprehensive utilization of 2,729 hours for pumped-storage units connected to our grid.

We have acquired world-leading expertise and equipment manufacturing capabilities in ultra-high voltage transmission. Our UHV AC and DC demonstrative projects have both recorded safe and stable operations of more than ten years, with substantial verification of the safety, economy and environmental friendliness of UHV power transmission technology. Our power grid operations have expanded to countries and regions such as the Philippines, Brazil, Portugal, Italy, Australia, Greece, Oman, Chile, Pakistan and Hong Kong.

We have established a corporate governance structure which comprises the board of directors and the senior management. According to this structure:

- our board of directors comprises nine directors, including four internal directors (including one employee director) and five external directors (with one position currently vacant); and

- our senior management comprises nine members, including one Chairman, one General Manager, one Deputy Secretary of the Party Group, one Chief Accountant, four Deputy General Managers, and one Head of the Discipline Inspection and Supervision Team stationed at the Company by the Central Commission for Discipline Inspection and the National Supervisory Commission (CCDI-NSC).

As of December 31, 2024, our power transmission lines of 110(66) kV and above had reached a total length of 1.32 million km, our power transformation (commutation) equipment of 110(66) kV and above had reached an aggregate capacity of 6.47 billion kVA/kW, and our grid-integrated generation capacity was approximately 2,630GW. In 2024, our inter-provincial power transaction volume reached 1,506.9TWh. As of December 31, 2024, our installed capacity of renewable energy power generation reached 1,460GW, representing 55.8 per cent. of the total installed capacity of power generation within our service area. Among that, the grid-connected capacity of new energy reached 1,140GW, the highest in the world.

For the three years ended December 31, 2022, 2023 and 2024, we sold 5.44 trillion kWh, 5.82 trillion kWh, and 6.24 trillion kWh of electricity, respectively. For the same periods, we recorded revenue of RMB3,573,242 million, RMB3,864,623 million and RMB3,945,928 million, respectively, and net profit of RMB59,672 million, RMB69,652 million and RMB77,298 million, respectively.

OUR STRENGTHS

We are the largest utility corporation in the world and an integrated operator of power transmission, distribution, and sales.

Through the integrated management of the industrial chain of power transmission, distribution and sales, we have built a power grid network that has the world's largest transmission and distribution capacity and highest voltage level and have maintained a long-term record of safe and stable operation. In 2024, our inter-provincial power transaction volume had reached 1,506.9TWh. As of 2024, we were awarded Grade A in the performance appraisal of the SASAC for 20 consecutive years, were assigned national sovereign level credit ratings by the three major international rating agencies for 12 consecutive years, ranked the first among "China's 500 Most Valuable Brands" for nine consecutive years, and ranked third in the Fortune Global 500 in 2024. We generated revenue of RMB3,945,928.33 million in 2024, accounting for 2.92 per cent. of China National GDP.

As at the end of 2024, we have completed the construction and put into operation of 22 UHV AC transmission projects and 16 UHV DC transmission projects, approving and constructing three UHV AC transmission projects and six UHV DC transmission projects, with the length of UHV lines in operation and in construction reaching 62,000 kilometres, the power transformation (conversion) capacity exceeding 640 million kVA and a cumulative transmission volume of more than 4.7 trillion kWh. At the same time, our inter-province power capacity exceeded 340 million kW. Compared with international standards, the average electricity prices offered by us are at a relatively low level, while our transmission efficiency and cost efficiency are among the highest. As of December 31, 2024, the capacity of grid-connected clean energy generators in areas we operate in reached 1,140 million kW, with a utilisation rate maintaining at 96 per cent. or above.

Our future development is driven by the growing PRC economy and power demand in China.

According to World Bank, as of 2023, China's GDP growth remained higher than the world's major developed economies. Meanwhile, China's urbanisation has been accelerating, with the urbanisation growth rate over the past decade significantly higher than that of G7 countries. According to statistics from National Energy Administration, in 2024, China's total installed power generation capacity amounted to 3,348.62GW, representing a year-on-year increase of 14.6 per cent., and China's total electricity generation amounted to 9,456.4 TWh, representing a year-on-year increase of 6.9 per cent. We expect these factors to continue to drive strong growth in electricity demand in China.

The growth of China's GDP is highly correlated to the growth in electricity consumption. The rapid growth in electricity consumption since 2008 has been largely driven by the rapid pace of industrialisation, as well as an increase in demand from residential users due to higher income per capita. According to statistics gathered by the National Energy Administration, China's total power consumption grew from 3,426.8 TWh in 2008 to 9,852.1 TWh in 2024, with an average year-on-year growth rate of 11.7 per cent. We believe that the future growth of China's economy will drive further growth in our electricity sales volume and revenue.

We receive policy support from the PRC government.

In view of the significant role we play in the implementation of national energy strategies and ensuring national energy security, the PRC government has launched a variety of initiatives and policies to promote and support our business development. In particular:

- **Tax policy:** We benefit from favorable tax treatment. Some of our subsidiaries enjoyed, or are currently enjoying, preferential tax treatments applicable to enterprises that are: (i) established in the western region of the PRC, (ii) relevant to internal assistance fund expenditures paid by our provincial-level subsidiaries to other provincial-level subsidiaries in respect of power grid construction and transformation and operational maintenance for purposes of poverty alleviation, and (iii) engaged in public infrastructure projects that meet the criteria under the "Corporate Income Tax Preferential Catalogue for Public Infrastructure Projects". Additionally, certain subsidiaries benefit from exemptions such as land use tax for transmission and transformation facilities and stamp duty on purchase and sales contracts across different levels of power grid companies within our Group.

- **Industrial policy:** The PRC government explicitly supported the research, development, and construction of ultra-high voltage ("**UHV**") technology in the "11th Five-Year Plan" and "12th Five-Year Plan" as well as the Outline of the National Medium- and Long-Term Program for Science and Technology Development. In the latest Industrial Structure Adjustment Guidance Catalogue (2019 Edition) issued by the NDRC, the development and application of technologies related to 500kV and above alternating and direct current transmission and transformation, inter-regional power grid interconnection, energy-saving and environmentally-friendly transmission and transformation technologies, promotion and application of distributed power generation and grid connection (including microgrid) technologies, electric vehicle charging facilities, distributed energy, and smart energy systems have been classified as encouraged projects. Furthermore, the "13th Five-Year Plan," the National Medium- and Long-Term Science and Technology Development Plan, and industrial policy planning documents such as "Made in China 2025" highlight the PRC government's continued support for UHV technology research, development, and construction. In addition, the NDRC, in its earlier Industrial Structure Adjustment Guidance Catalogue (2011 Edition), classified as encouraged projects: (i) the development and application of inter-regional power grid interconnection technologies, (ii) the promotion and application of technologies for the grid connection of distributed power sources, and (iii) the promotion and application of energy-saving and environmentally-friendly transmission and transformation technologies.

- **Overseas investments:** Like many other Chinese enterprises, we receive strong government support in terms of foreign affairs, policies and government approvals in implementing the "Going Out" strategy, which encourages overseas investments.

We are an innovative enterprise with world-leading power grid technology, having developed and implemented advanced technologies such as world-leading UHV technology, while maintaining an excellent safety record.

We believe we are in a world-leading position in terms of power technology research and development. We have mastered the core technologies in the fields of UHV transmission, which can achieve long-distance and high-efficiency power transmission. We have constructed 22 UHV AC demonstration projects and 16 UHV DC demonstration projects.

We believe that our technological advantages have further enhanced our operational capabilities and efficiency and increased our influence in the global electrotechnical engineering field. We have completed projects including phase one and two of the Belo Monte UHV DC ±800 kV DC Power Transmission Project in Brazil and the UHV DC ±660 kV DC power transmission project in Pakistan. Through these projects, we have successfully driven the export of China's high-end electrical equipment to multiple countries and regions. The UHV AC voltage level and insulation level proposed by us have been incorporated into international standards. We have also led the formulation of 114 international standards at the International Electrotechnical Commission (IEC), 16 international standards at the International Organization for Standardization (ISO), 52 international standards at the International Telecommunication Union (ITU) and 107 international standards at the Institute of Electrical and Electronics Engineers (IEEE).

In addition, we have completed large technology demonstrative projects such as a DC project in Zhangbeirou, flexible DC projects in Zhoushan and Xiamen, unified power flow controller project in Nanjing and Suzhou, national-level wind and solar power storage and transmission project, International Energy Reform Model City of Suzhou and new generation smart substation projects, which we believe further consolidated and enhanced our technology competitiveness in the global grid business. We have installed 636 million smart meters, reaching an information collection coverage ratio of 100 per cent. We realized unattended operation for substations of 500 kV or below and implemented intelligent drone inspections and smart condition monitoring for major transmission lines of 220 kV or above.

We are committed to supporting the high-quality development of the renewable energy sector. The installed capacity of wind and solar power has continued to grow rapidly, surpassing coal-fired power to become the largest power source. Power generation has reached record highs, with utilisation rates consistently maintained at high levels. As of December 31, 2024, our wind power grid-integrated installed capacity had reached 417GW and our solar power grid-integrated installed capacity had reached 720GW, which made us the largest power grid in the world in terms of clean energy connection scale. As of December 31, 2024, we held 115,625 patents in total.

We are a world-leading innovative company in power grid technology, and we are world-leading in the fields of ultra-high voltage power transmission, large power grid safety control, clean energy access, and electric vehicle charging and changing. We have won 96 national science and technology awards, including two grand prizes and nine first prizes. We have accumulated more than 110,000 patents. In total, we led the preparation of 128 international standards. We have maintained the longest record of safe and stable operation of an ultra-large power grid worldwide.

We are an international power transmission and distribution enterprise with high-quality regulated transmission and distribution assets overseas.

As at the end of 2024, we invested in and operated 13 national-level energy infrastructure projects in 10 countries and regions, and our international business achieved annual operating revenue of RMB104.6 billion. We have undertaken the construction of a number of national key power grid projects with the total contract value exceeding US$50 billion. We also completed a number of major national-level

power transmission and transformation projects, including the Belo Monte UHV DC transmission project in Brazil and the Matiari-Lahore DC Transmission Project in Pakistan. Ten transnational power transmission lines have been built, and new projects of networking with neighbouring countries are currently underway.

Since 2007, we mainly leveraged our subsidiaries, namely, State Grid International Development Limited and China Electric Power Equipment and Technology Co., Ltd., as the platform for international investments and operations. The core focus of the Company's internationalisation strategy is investing in transmission and distribution assets operating under robust regulatory frameworks, which provide stable and predictable cash flows while delivering attractive risk-adjusted returns. We believe that our current overseas investment portfolio reflects this core focus.

We have a management team with extensive industry experience and highly qualified employees.

Our senior management has many years of experience in the power industry, with extensive experience in operation management, financial management, capital management and building of corporate culture.

We also have highly qualified employees. As of December 31, 2024, 72.03 per cent. of our employees had junior college diplomas or above and 9.26 per cent. had postgraduate diplomas. Among our employees, there are seven academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering, and 139 experts entitled to special permitted allowance granted by the State Council. We have 51,000 personnel engaged in research and development and approximately 381,700 employees holding mid-level or higher professional titles. Our flexible internal human resources redeployment mechanisms allow cross-sector, cross-company and cross-region flow of talent, thereby enhancing the utilization of our human resources and providing our employees with more growth opportunities. We provide various continuous training programs to our employees to further elevate their capabilities, promoting the growth and development of our employees.

We adhere to core corporate values of integrity, commitment, innovation and dedication, ensuring safe and reliable energy supply while responsibly engaging every stakeholder. We strive to set an example in green development, carry out international operations in a responsible manner and run a transparent business accountable to the general public.

We practice the concept of green development.

We promote the gradual and orderly construction of clean energy power grids. In 2024, we continued to strengthen the construction of clean energy grid connection supporting projects, giving priority to meeting the needs of new energy consumption in the vicinity. We built projects including the Zhangbei-Shengli, Central China Loop and Sichuan-Chongqing UHV AC projects, and commenced construction on the Shaanxi-Anhui and Qinghai-Tibet expansion interregional DC projects, further improving the capacity of large-scale resource optimization allocation. The investment in clean energy grid connection supporting projects is RMB27.4 billion. From 2021 to 2024, we have invested RMB77.8 billion in clean energy grid connection supporting projects, which meet the needs of grid connection and transmission of wind power and solar power generation projects.

We have enhanced market trading mechanisms, actively organised inter-provincial renewable energy trading, and innovatively launched intra-provincial renewable energy trading. We revised the Implementation Rules for Medium- and Long-Term Cross-Regional and Cross-Provincial Power Transactions of the Beijing Power Exchange Center（北京電力交易中心跨區跨省電力中長期交易實施細則), improving the mechanisms for medium- and long-term renewable energy trading. Additionally, we developed the Implementation Plan for Organising Provincial Grid Enterprises' Responsibility Weight on Renewable Energy Consumption（省級電網企業消納責任權重實施組織工作方案）and released China's first trading rules for excess renewable energy consumption, driving the implementation of the consumption guarantee mechanism. In November 2020, China's first trading platform for renewable energy consumption certificates was successfully launched, supporting account establishment for responsible entities, calculation of renewable energy consumption, and transactions for

excess consumption. In 2024, newly installed new energy capacity within our operating area reached 270GW. The trading volume of inter-provincial market-based new energy transactions amounted to 220.5TWh, while intra-provincial market-based new energy transactions totalled 549.4TWh. As of December 31, 2024, our cumulative installed capacity of new energy amounted to 1,138GW, accounting for 43.3 per cent. of the total installed generation capacity in our operational area, representing a year-on-year increase of 5.6 percentage points. During 2024, new energy generation totalled 1,500TWh, representing a year-on-year increase of 22 per cent., and accounted for 19.3 per cent. of total power generation, representing a year-on-year increase of 2.4 percentage points. In 2024, we initiated 173 scientific and technological projects in the new energy sector, with a total investment of RMB3.47 billion. Since 2016, we have undertaken 735 scientific and technological projects in new energy sector, with accumulated research and development investment amounting to RMB6.8 billion.

Additionally, we will accelerate the construction of a new power system to advance the achievement of China's Carbon Peak and Neutrality goals. The new power system, centered on new energy, undertakes the historical mission of driving the energy transition and represents a key component of a clean, low-carbon, safe, and efficient energy system. Ensuring energy and power security serves as its fundamental premise, while meeting the electricity demands of economic and social development is its primary objective. Supported by source-grid-load-storage interaction and multi-energy complementarity, the new power system is characterised by its clean and low-carbon nature, safety and sufficiency, economic efficiency, coordination of supply and demand, and flexible intelligence. The new power system includes the following ten initiatives:

1. Vigorously promoting the high-quality development of new energy, enhancing the green and secure supply of electricity.

2. Strengthening the coordinated development of power grids at all levels, improving the level of resource optimization and allocation capabilities.

3. Enhancing the digitalisation and intelligence of power grids, deepening the integration of energy and information.

4. Building regulatory capabilities, strengthening the system's flexibility and interactive performance.

5. Improving the power regulation system, ensuring secure grid operation.

6. Strengthening load management systems, enhancing precision in management.

7. Promoting energy conservation and efficiency across society, advancing the comprehensive utilization of energy.

8. Enhancing high-level scientific and technological innovation, supporting technical advancements and industrial development.

9. Developing complementary policies and mechanisms, increasing support and protection measures.

10. Strengthening overall coordination and management innovation, improving collaborative work efficiency.

We maintain diversified financing channels and a strong financing capability

We maintain sufficient bank credit facilities. With a strong credit profile, we have established long-term cooperative relationships with both domestic and foreign commercial banks, as well as policy banks and other financial institutions. Partner banks have granted us the highest credit ratings, enabling us to access the most favorable interest rates and sufficient credit facilities. As of the end of 2024, our committed banking facilities from onshore and offshore banks amounted to RMB3,997.3 billion, of which 63 per cent. was not utilized.

Our direct financing increased steadily. Onshore and offshore bond financing accounts for 32 per cent. The types of onshore bonds issued by us include corporate bonds, MTN, CP and SCP, etc., affirming our significant financing advantages in onshore bond market. In offshore markets, since 2013, we have issued multiple offshore bonds denominated in USD, EUR, HKD, etc. with sound issuance results. We have diversified financing channels internationally.

Our financial management has won many awards. In 2024, we were awarded the CGMA Global Management Accounting China's "Outstanding Management Accounting Practice" Award. In 2023, we received the CGMA Global Management Accounting China's "Best Digitalized Management Accounting Innovation" Award. In 2022, we received the China Electricity Council Electric Power Technology Innovation Award and the Outstanding Issuer Award from the National Association of Financial Market Institutional Investors (NAFMII). In 2020, our business travel shared services won first prize in the 27th National Enterprise Management Modernization Innovation Achievement Awards. In 2019, we won the Tao Zhu Award (sponsored by EuroFinance) for Best Fund Manager/Best Fund Management Team and received the Highly Commended Award for Best Risk Management. Also in 2019, we were awarded as the IMA Annual Management Accounting Outstanding Contribution Enterprise, and our multi-dimensional lean management innovation won first prize in the 26th National Enterprise Management Modernization Innovation Achievement Awards. In 2017, our issuance of USD5 billion bonds won the China Best Corporate Bond Award from The Asset. In 2016, our dual-currency USD and EUR bonds won The Asset's Asia-Pacific Best Corporate Issuer Award, Best Investment-Grade Bond Award, and China Best Corporate Bond Award.

We maintain long-term and strong cooperative relationships with major onshore and offshore banks, including policy banks such as China Development Bank, The Export-Import Bank of China, and Brazil's National Development Bank; onshore commercial banks such as Industrial and Commercial Bank of China, China Construction Bank, Bank of China, Agricultural Bank of China, Bank of Communications, China Merchants Bank, China CITIC Bank, Postal Savings Bank of China, Shanghai Pudong Development Bank, China Minsheng Bank, Industrial Bank, China Everbright Bank, China Guangfa Bank, Ping An Bank, and Huaxia Bank; and other international commercial banks, including Morgan Stanley, Citibank, Bank of America, ING, BNP Paribas, Natixis, Santander, Intesa Sanpaolo, Crédit Agricole Corporate and Investment Bank, Deutsche Bank, Mizuho Bank, MUFG Bank, SMBC, ANZ Bank, Banco Bilbao Vizcaya Argentaria (BBVA), DBS, UOB, OCBC Bank, Nanyang Commercial Bank, Goldman Sachs, UBS Group, and HSBC.

BUSINESS STRATEGIES

We have established the strategic goal of becoming an "energy internet enterprise with Chinese characteristics and international leadership" to guide the Company's long-term development. Guided by the new energy security strategy of "Four Reforms and One Cooperation", we actively promote the construction of a new power system and a new energy system, providing safe, reliable, clean, economical, and sustainable electricity supply for economic and social development.

We remain committed to serving the people through electricity and strive for continuous improvement and excellence. We are dedicated to promoting high-quality development, building a world-class enterprise, and achieving leadership in core technologies, service quality, operational strength, corporate governance, green development, and brand value.

Independent Innovation

Since its establishment, the Company has consistently adhered to innovation-driven development. Based on the industry characteristics and the Company's operational realities, we proactively adapt to the trends of clean energy transformation and the integration of the energy revolution with the digital revolution. We focus on addressing key core technological challenges and cultivating major achievements by pursuing basic research, forward-looking research, and applied technology research,

while implementing major engineering demonstration projects. These efforts provide robust technological support for the construction of new power systems and underpin the high-quality development of the Company and the grid.

Our plans are as follows:

- To focus on significant areas such as system operation control and equipment performance enhancement; fully leverage the Company's research and development capabilities; strengthen the synergy of internal and external resources; closely integrate artificial intelligence and digital technologies; and accelerate breakthroughs in addressing key core technological challenges.

- To promote major technological breakthroughs and the cultivation of significant achievements in an integrated manner, while expediting the development of original and leading-edge scientific and technological outcomes.

- To deepen the development of national and Company-level technology standard innovation bases; accelerate the formulation of core standards in key fields; and strengthen the strategic planning and layout of international standards in emerging areas.

International Expansion

The Company's internationalisation strategy is guided by its overall strategic objectives, aiming to actively promote investment, construction, and operation, while driving the global adoption of its technology, equipment, and standards. This strategy is implemented through market-oriented, long-term, and localised operations, with a strong emphasis on risk control and compliance. Key initiatives include the following:

- First, make full use of both domestic and international markets and resources; promote the high-quality development of our international business, support the Company in becoming a world-class enterprise, and serve the Company's strategic goal of comprehensively building an internationally leading energy internet enterprise with Chinese characteristics.

- Second, promote the interconnection of power grids with neighbouring countries and strengthen international cooperation on energy and electricity. We will leverage our advantages in the whole industrial chain of power grid investment, construction and operation, promote the connectivity of transnational infrastructure, and carry out in-depth connectivity with neighbouring countries.

- Third, optimize the layout of overseas investment and steadily carry out asset investment and acquisitions. We will adopt differentiated investment strategies, leverage our financing advantages, deepen cooperation in market expansion, and promote investment projects with high impact, manageable risks, and stable and transparent revenue models.

- Fourth, promote the implementation of major projects and deepen international cooperation on production capacity, and utilise our comprehensive advantages, strengthen internal and external collaborative operation, innovate business models, and actively capture the opportunities of high-quality green space development and other engineering projects. We will focus on developing large-scale energy and power infrastructure construction projects with strong driving force and great international influence, such as equipment manufacturing, construction services, power grid operation and technical standards.

- Fifth, steadily operate overseas assets and enhance the contribution of our international business to overall profit. We shall adhere to the principle of "discuss together, build together, share together" and mutual benefit and win-win cooperation. We conduct business in a "marketized, long-term, localized" manner. We will utilise our existing overseas operating platforms and carry out

cooperation in various ways to achieve high-quality synergy and continuous development. We will actively participate in the governance of overseas project companies and protect the rights of our shareholders.

- Sixth, strengthen our risk prevention and control of international business to ensure safe, stable and high-quality development. We shall adhere to bottom-line thinking, firmly establish an awareness of risk prevention and compliance with laws and regulations, actively respond to various unstable and uncertain factors in the external environment, deeply investigate the risks of overseas projects and improve response measures and contingency plans. We shall also strengthen the prevention and control of overseas integrity risks and enhance the prevention of overseas corruption and supervision.

- Seventh, fully implement various laws and regulations to ensure the standardized implementation of overseas projects. We will focus on the main business and give full play to our advantages to enhance our overall competitiveness and the group implementation capability. We will give full play to the Company's comprehensive advantages in credit, technology, management, talents and brand, and efficiently and collaboratively implement key overseas projects. We will also establish a project whole-process management and control system to strictly regulate major overseas operation and investment behaviours.

- Eighth, be an active participant in global energy governance and enhance international exchanges and cooperation. We shall implement the Company's action plan of "Carbon Peak and Neutrality" to promote transition to clean energy. We will host international forums on energy reform, disseminate the concept of green and low-carbon development, lead the development of international energy transformation, strengthen cooperation with the International Energy Organization and relevant energy institutions, actively share the Company's energy transformation concept and experience, and actively contribute in promoting energy reform.

- Ninth, expand the Company's international influence and continuously enhance the Company's international image. Adhering to the 'market-oriented, long-term, and localized' operational philosophy, we will actively fulfil corporate overseas social responsibilities, participate in public welfare activities such as education, poverty alleviation, and healthcare, and serve local economic and social development. We shall actively participate in the formulation of international standards and accelerate the transformation of the Company's independent innovation achievements to international standards.

RECENT DEVELOPMENT

The Company has published its unaudited and unreviewed consolidated financial statements prepared in accordance with PRC GAAP as at and for the three months ended March 31, 2025 ("**2025 First Quarter Financial Information**"). These financial statements have only been prepared in Chinese and are available on the website of China Foreign Exchange Trade System at http://www.chinamoney.com.cn.

The Company's 2025 First Quarter Financial Information is not included in, and does not form part of, this Offering Circular. The 2025 First Quarter Financial Information has not been audited or reviewed by the Company's independent auditor or any other independent auditors. If audited or reviewed, such financial information may be subject to adjustments. Therefore, no representation or warranty, express or implied, is made or given by the Joint Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them and their respective advisers) as to the accuracy, completeness or sufficiency of such financial statements or their sufficiency for an assessment of the financial condition, results of operations, or performance of the Company. Potential investors must exercise caution when using such data to evaluate the Company's business, financial condition and results of operations. Such unaudited

and unreviewed consolidated financial information should not be taken as an indication of the expected business, financial condition, results of operations and results of the Company for the full financial year ended December 31, 2025.

For the three months ended March 31, 2025, the Company's total revenue slightly decreased compared to the same period in the previous year. However, operating profit and net profit both increased year-on-year. Net cash flow from operating activities decreased compared to the same period in the previous year, primarily due to an increase in cash payments for goods purchased and services received.

OUR OPERATIONS

Our core business is the power grid business. Our other businesses mainly include financial businesses, international businesses, supporting industries, and strategically important emerging industries.

The following table sets out our revenue by business segment, and percentage contribution to our total revenue, before inter-segment elimination, for the years indicated:

	For the year ended, December 31,					
	2022		2023		2024	
	RMB billion	*per cent.*	*RMB billion*	*per cent.*	*RMB billion*	*per cent.*
Power grid business	3,408.39	92.94	3,715.52	93.11	3,771.22	92.85
Other businesses	258.85	7.06	275.13	6.89	290.36	7.15

Power Grid Business

Our core business focuses on the investment, construction, and operation of power grids. We operate the world's largest and highest-voltage AC/DC hybrid power grid. We are capable of constructing and operating AC/DC projects over a full range of voltages, and carry out centralized planning, construction, dispatch and monitoring.

We make significant investments in power grid construction, and actively seek to optimize power grid structure. We lead the development and commercialization of UHV AC/DC grids. We integrate inspection, repair and maintenance work to ensure the safe and stable operation of the power grids.

Our Grid

Our power grid comprises five main synchronous grids, namely north-central China, east China, northeast China, northwest China and southwestern China grids. Of such grids, north China and central China grids are interconnected by a single-circuit 1,000-kV UHV AC transmission line.

Transmission Capacity

The following table sets out certain information in relation to our transmission capacity as of the dates, or for the years, indicated:

	As of, or for the year ended, December 31,		
	2022	2023	2024
Length of transmission lines (thousand km)[(1)]	1,241.314	1,280.922	1,320.086
Transformation capacity (10 MVA)[(1)]	583,720	612,427	647,853
Integrated capacity (GW)	2,001	2,295	2,626
On-grid electricity (TWh)	5,610.6	6,060.0	6,512.7
Maximum power load in the company's service area (GW)	1,069.24	1,085.69	1,180.18
Trans-regional and trans-provincial power trading (TWh)	1,311.5	1,398.7	1,506.9

Note:

(1) Refer to lines and transformation equipment, respectively, of 110(66) kV and above.

Assets

Our fixed assets mainly include power transmission lines, power transformation equipment, power distribution lines and equipment, as well as equipment for electricity usage measurement, communication and automation. Among our power transmission and transformation fixed assets, those of 500 kV and above assets are mainly owned and operated by the headquarters (branches) and provincial-level subsidiaries of the Company, while 330 kV and below assets are mainly owned and operated by provincial-level subsidiaries.

UHV Transmission

In China, energy resources such as coal, hydropower, wind power and solar power are concentrated in the northern, north-western and south-western areas, while high energy consumption areas are mainly located in the more developed eastern and south-eastern coastal regions. The inverse distribution of energy resources and energy consumption necessitates large-scale, cross-region and long-distance power transmission and reallocation across large areas. The UHV projects enable the transmission of 1,000 kV alternating current (AC) and ±800 kV or higher direct current (DC) electricity over long distances with low energy losses. As of the end of 2024, 22 UHV AC projects and 16 UHV DC projects have been successfully constructed and put into operation.

Project	Length	Operation Time	Power Transmission (conversion) capacity	Notes
	(km)		*(MVA/MW)*	
AC UHV transmission project				
1. 1000kV Jindongnan-Nanyang-Jingmen UHV AC test demonstration project (including expansion project)	653	December 2008 October 2011 (expansion project)	6,000	Relying on the test demonstration project, China has taken the lead in mastering the core technology of UHV AC transmission in the world, successfully developed a full set of UHV equipment, and established its leading advantage in the international high voltage transmission field. The project connects two power grids in North China and central China. After putting into operation, it has played an important role in power transmission, mutual aid between water and fire, and accident support networking. It has fully verified the technical feasibility, equipment reliability, system safety and environmental friendliness of UHV AC transmission.
2. 1000kV Eastern Anhui-Huainan-Shanghai UHV AC transmission demonstration project	1,302	September 2013	21,000	Meet the power transmission of Huainan large coal power base, ensure the reliable power supply of Shanghai and Zhejiang, and effectively solve the problem of 500 kV short-circuit current capacity exceeding the standard of East China power grid.
3. 1000kV Northern Zhejiang-Fuzhou UHV AC transmission and transformation project	1,192	December 2014	18,000	Improve the power transmission capacity of Zhejiang and Fujian, enhance the security and stability level of East China power grid, and enhance the ability of receiving external power and resisting serious faults, and enhance the ability of coastal nuclear power plants to deal with emergencies, meet the need of surplus power transmission in Fujian power grid in the near future.

Project	Length	Operation Time	Power Transmission (conversion) capacity	Notes
	(km)		*(MVA/MW)*	
4. 1000kV Ximeng-Shandong UHV AC power transmission and transformation project . . .	1,460	July 2016	15,000	Promote the development of Ximeng energy base, meet the demand of power load growth in Beijing Tianjin Hebei Shandong region, implement the national air pollution prevention and control action plan, and improve the quality of atmospheric environment.
5. 1000kV Huainan-Nanjing-Shanghai UHV AC transmission and transformation project . . .	1,575	September 2016	12,000	Build a ring network at the receiving end of East China UHV, improve the capacity of East China power grid to accept external power and internal power exchange, implement the national action plan for air pollution prevention and control, and solve the problem of large-scale short-circuit current exceeding the standard in the Yangtze River Delta.
6. 1000kV Mengxi-Southern Tianjin UHV AC power transmission and transformation project . . .	1,254	November 2016	24,000	Promote the development of energy bases in western Inner Mongolia and Northern Shaanxi, meet the demand of power load growth in Beijing Tianjin Hebei region, implement the national action plan for air pollution prevention and control, and improve the quality of atmospheric environment.
7. 1000kV Yuheng-Weifang UHV AC transmission and transformation project . . .	2,119	August 2017	15,000	Improve the power transmission capacity of coal bases in Northern Shaanxi and Shaanxi, meet the load growth demand of Hebei and Shandong power grids, implement the national action plan for air pollution prevention and control, and improve the quality of ecological environment.
8. 1000kV Ximeng-Shengli UHV AC power transmission and transformation project . . .	470	July 2017	6,000	It is a supporting access system project of Ximeng-Shandong 1000kV UHV AC power transmission and transformation project and related power supply projects, which improves Inner Mongolia's coal power transmission capacity, meeting the demand of power grid load growth in Beijing Tianjin Hebei Shandong region, and improving regional atmospheric environment.
9. Weifang-Linyi-Zaozhuang-Heze-Shijiazhuang 1000kV UHV AC project	1,652	December 2019	6,000	Enhance the ability of the system to withstand serious faults and provide grid support for Shandong to accept large-scale trans regional power.

Project	Length	Operation Time	Power Transmission (conversion) capacity	Notes
	(km)		*(MVA/MW)*	
10. 1000kV Beijing-Western Shijiazhuang UHV AC transmission and transformation project . . .	450	June 2019	–	Increase the connection between the two UHV transmission channels of Mengxi-Southern Tianjin-Yuheng-Weifang, and strengthen the mutual aid ability of the two channels, it is very important to improve the power transmission ability and reliability of the two UHV AC channels of Mengxi-Southern Tianjin-Yuheng-Weifang, improve the security and stability level of Beijing Tianjin Hebei and Northern China power grid, and ease the power shortage in Southern Hebei, It is of great significance to meet the power load growth needs of Beijing Tianjin Hebei (including xiong'an New Area) and promote the large-scale development and utilization of clean energy such as wind power and solar power in Zhangjiakou renewable energy demonstration zone.
11. Sutong-Gil utility tunnel project	5	September 2019	–	After the completion of the project, the UHV AC double loop network of East China load center has realized closed loop operation, and the resource allocation capacity, security and stability level and the ability to accept large-scale external power have been greatly improved.
12. 1000kV Mengxi-Jinzhong UHV AC transmission and transformation project . . .	608	September 2020	–	Optimize the network structure, improve the reliability and flexibility of power supply, and improve the transmission capacity of UHV AC channel.
13. 1000kV Zhumadian-Nanyang UHV AC transmission and transformation project . . .	380	September 2020	6,000	Meet the access and delivery conditions of Qinghai Henan UHVDC project, improve the power receiving capacity of Henan Province, and ensure the power load growth demand of the whole province, especially in southern Henan.
14. 1000kV Zhangbei-Xiong'an UHV AC transmission and transformation project . . .	640	August 2020	6,000	Meet the needs of clean energy transmission in Zhangbei area and clean energy power supply in xiong'an area.
15. 1000kV Nanchang-Changsha UHV AC transmission and transformation project . . .	688	December 2021	12,000	Implement the national strategy for the development of the Yangtze River Economic Belt, optimize and strengthen the grid structure of Jiangxi Province and Hunan Province, enhance the safe and stable operation of the grid, ensure efficient and stable power transmission from Yazhong to Jiangxi UHV DC, and meet the regional power development needs.
16. 1000 kV Nanyang–Jingmen–Changsha UHV AC transmission project . .	984.5	October 2022	–	Implement the new energy security strategy, optimise and strengthen the grid structure in Central China, enhance complementary and cooperative capabilities of the power system, and ensure the efficient and stable operation of existing and future UHV DC systems.

Project	Length	Operation Time	Power Transmission (conversion) capacity	Notes
	(km)		*(MVA/MW)*	
17. 1000 kV Jingmen–Wuhan UHV AC transmission project	476	December 2022	600	Increase Hubei Province's west-to-east power transmission capacity.
18. 1000 kV Zhumadian–Wuhan UHV AC transmission project	573	November 2023	–	Improve and optimise the structure of the Central China primary power grid to support large-scale DC power feed-in. Effectively address the issue of short-circuit current exceeding limits, ensure the safe and stable operation of the power grid, and meet the electricity demands of economic and social development.
19. 1000 kV Wuhan–Huangshi–Nanchang UHV AC transmission project	925.8	November 2024	600	Optimise the grid structure, enhance grid safety, stability, and power exchange capacity, improve the utilisation efficiency of existing transmission corridors, and expand clean energy (wind, solar, hydropower) consumption in Central China.
20. 1000 kV Fuzhou–Xiamen UHV AC transmission project	476	December 2023	600	Enhance the north-to-south power transmission capacity in Fujian, promote the development and utilisation of clean energy such as coastal nuclear and wind power, and improve the power supply reliability of the East China power grid.
21. 1000 kV Zhangbei–Shengli UHV AC transmission project	736	October 2024	900	Improve the main grid structure at the transmission end, enhance the outbound capacity of the Ximeng UHV AC/DC corridors, meet the transmission needs of Ximeng and Zhangbei energy bases, support load growth in Beijing–Tianji–Hebei, and bolster grid reliability.
22. 1000 kV Sichuan–Chongqing UHV AC transmission project	1,315.2	December 2024	2400	Optimise the main power grid in Sichuan and Chongqing, facilitate clean energy delivery from Ganzi and Aba regions, enhance power exchange capacity, ensure stable power supply to Chengdu and Chongqing load centers, and support safe and stable cross-regional DC operation.
UHV DC transmission project				
23. Xiangjiaba-Shanghai ± 800kV UHV DC demonstration project	1,907	July 2010	6,400	Transport hydropower resources from Southwest China to Eastern China. As a demonstration project, it has been running safely up to now.
24. Jinping-Sunan ± 800kV UHV DC transmission project	2,059	December 2012	7,200	Transport clean hydropower from Yalong River Basin to Eastern China.
25. Southern Hami-Zhengzhou ± 800kV UHV DC transmission project	2,210	January 2014	8,000	Realize the bundling of wind power and thermal power transmission, realize the standardized demonstration application of ± 800 kV and 8 million kW DC transmission technology, and promote the intensive development of coal power, wind power and solar energy in Northwest China.

Project	Length	Operation Time	Power Transmission (conversion) capacity	Notes
	(km)		*(MVA/MW)*	
26. Xiluodu Zhexi ± 800kV UHV DC transmission project	1,668	July 2014	8,000	Meet the needs of Sichuan Hydropower transmission to East China.
27. Lingzhou-Shaoxing ± 800kV UHV DC transmission project	1,720	August 2016	8,000	Meet the power transmission needs of Ningdong thermal power base and the power demand of Zhejiang Province. It is one of the 12 power transmission channels to build in the national air pollution prevention and control action plan.
28. Jingbei-Jiangsu Nanjing ± 800kV UHV DC transmission project	1,111	June 2017	8,000	Promote the power development and transmission of Jingbei coal power base to meet the demand of Jiangsu power load growth. It is one of the 12 power transmission channels to build in the national air pollution prevention and control action plan.
29. Jiuquan-Hunan ± 800kV UHV DC transmission project	2,385	June 2017	8,000	Promote the development and export of Gansu energy base, and ease the contradiction between power supply and demand in Central China. It is one of the 12 power transmission channels to build in the national air pollution prevention and control action plan.
30. Shanghaimiao-Linyi ± 800kV UHV DC transmission project	1,230	January 2019	10,000	Promote the power development and transmission of Shanghai temple energy base in Inner Mongolia to meet the demand of power load growth in Shandong Province. It is one of the 12 power transmission channels to build in the national air pollution prevention and control action plan.
31. Ximeng-Jiangsu Taizhou ± 800kV UHV DC transmission project	1,628	August 2017	10,000	Promote the development and transmission of electric power in Inner Mongolia-Ximeng energy base to meet the demand of Jiangsu Province's power load growth. It is one of the 12 power transmission channels to build in the national air pollution prevention and control action plan.
32. Zhalute-Shandong Qingzhou ± 800kV UHVD C transmission project	1,234	December 2017	10,000	Promote clean energy consumption to meet the demand of electricity load growth in Shandong Province.
33. Zhundong-Wannan (Changji Guquan) ± 1100kV UHV DC transmission project	3,293	September 2019	12,000	Promote the coordinated development of Xinjiang region and ecological civilization construction, and ensure the energy security of East China.
34. Qinghai Henan± 800kV UHV DC transmission project	1,578	December 2020	8,000	meet the needs of Qinghai clean energy base power transmission and southern Henan power consumption.
35. Yazhong-Jiangxi ± 800kV UHV DC transmission Project	1,711	September 2021	16,000	Meet the needs for transmission of Sichuan hydropower to Central China.

Project	Length	Operation Time	Power Transmission (conversion) capacity	Notes
	(km)		*(MVA/MW)*	
36. Northern Shaanxi-Hubei ± 800kV UHV DC transmission Project	1,136	December 2021	16,000	Promote the construction of energy bases in northern Shaanxi Province, ensure the satisfaction of the demand of electricity loads of the Hubei power grid and promote regional economic development.
37. Baihetan-Jiangsu ± 800kV UHV DC transmission Project	2,087.4	December 2022	16,000	Implement the national major energy strategy, promote large-scale optimisation of clean energy resource allocation, meet the electricity transmission requirements of the Baihetan Hydropower Station, and strengthen Jiangsu Province's power supply capacity.
38. Baihetan-Zhejiang ± 800kV UHV DC transmission Project	2,140.2	June 2023	16,000	Implement the national major energy strategy, promote large-scale optimisation of clean energy resource allocation, meet the electricity transmission requirements of the Baihetan Hydropower Station, and strengthen Zhejiang Province's power supply capacity.

Management Structure

The Company

The Company is the center for the Group's strategic decision-making, resources allocation, management and control and grid dispatch. It is responsible for the inter-provincial grid business within our service area, the operation of the State Power Dispatch and Control Center and the national-level Beijing Power Trading Center, and supervises and administers the operations of provincial grid companies. We have set up six divisions, namely the North China Division, the East China Division, the Central China Division, the Northeast China Division, the Northwest China Division and the Southwest China Division, to be in charge of the operation of regional power dispatch sub-centers and to assist our supervision and administration of provincial grid companies.

Provincial-level Power Grid Companies

We directly own 27 provincial-level power grid companies located in 26 provinces, autonomous regions or centrally managed municipalities. Hebei Province Power Co., Ltd. and North Hebei Power Co., Ltd. manage the power grids in south and north Hebei Province, respectively. We wholly own all these provincial-level power grid companies except for Shaanxi Power Co., Ltd., as to which we own 71.67 per cent. and the Shaanxi SASAC owns the remaining 28.33 per cent.; and Tibet Power Co., Ltd., as to which we own 51 per cent. and the Tibet Autonomous Region government owns the remaining 49 per cent. The provincial-level power grid companies generally manage the provincial power grids, oversee operation of the provincial dispatch centers and power trading centers, and supervise the operation of city-and county-level power companies.

We set out below further information on our five provincial-level power grid companies that each contributed more than 5 per cent. of our revenue for the year ended December 31, 2024:

State Grid Shandong Electric Power Company

State Grid Shandong Electric Power Company was established in 1991, and its paid-in capital was RMB103.122 billion as of December 31, 2024. It is a wholly owned subsidiary of the Company and is principally engaged in power grid construction and operation within Shandong Province. It oversees 17

city-level power supply enterprises, 20 provincial business units, and 98 county-level power supply companies. It serves 58.35 million electricity customers in the province. In 2024, the total electricity consumption in the province reached 832 billion kWh, while the company's electricity sales amounted to 563.8 billion kWh, representing a year-on-year growth of 7 per cent.

State Grid Jiangsu Electric Power Co., Ltd.

State Grid Jiangsu Electric Power Co., Ltd. was established in December 1988 and its paid-in capital was RMB202.31 million as of December 31, 2024. It is directly wholly owned by the Company and is principally engaged in power grid construction and operation within Jiangsu Province. It has 13 city-level power supply subsidiaries and 59 county-level power supply subsidiaries, and 17 research, inspection, and construction units. It serves 53.27 million electricity customers across the province.

State Grid Zhejiang Electric Power Co. Ltd.

State Grid Zhejiang Electric Power Co., Ltd. was established in 1990, and its paid-in capital is RMB125.113 billion as of December 31, 2024. It is directly wholly owned by the Company and is principally engaged in power grid construction and operation within Zhejiang Province. It has 11 city-level power supply subsidiaries, 20 directly affiliated units, and 69 county-level power supply subsidiaries. The Company operates power transmission lines of 110 kV and above totalling 71,000 km and transformer capacity of 530 GVA. The company has also built three 1000 kV substations with a transformer capacity of 18 GVA and three ±800 kV DC converter stations with a conversion capacity of 24GW. The Company provides power supply services to a population of 66.7 million.

State Grid Anhui Electric Power Co., Ltd.

State Grid Anhui Electric Power Co., Ltd. was established in 2003, and its paid-in capital was RMB67.617 billion as of December 31, 2024. It is a wholly owned subsidiary of the Company and is primarily engaged in power grid construction and operation within Anhui Province. It has 16 city-level companies, 71 county-level companies, and 16 directly affiliated units, managing a total workforce of 61,300 employees and serving 38.41 million electricity customers. It has one ±1100 kV DC converter station, 44 substations of 500 kV and above, and transmission lines totalling 13,300 kilometres. Additionally, it operates 42 500 kV substations and 308 220 kV substations. In 2024, total electricity consumption across Anhui Province reached 359.8 billion kWh, representing a year-on-year growth of 11.9 per cent.

State Grid Henan Electric Power Co., Ltd.

State Grid Henan Electric Power Co., Ltd. was established in 1987, and its paid-in capital was RMB52.755 billion as of December 31, 2024. It is a wholly owned subsidiary of the Company and is primarily engaged in power grid construction and operation within Henan Province. It has 18 city-level power supply companies, 110 county-level companies, and 21 directly affiliated units, and serves 49.28 million electricity customers. It has 3,395 substations of 35 kV and above (including UHV AC and DC systems), with a total transformer capacity of 412 GVA. It provides 500 kV substation coverage for all cities, 220 kV substation coverage for all counties, 110 kV substation coverage for industrial clusters, and ensures power supply coverage for all natural villages. In 2024, total electricity consumption in Henan Province reached 432.0 billion kWh, representing a year-on-year growth of 5.6 per cent.

City- and County-Level Power Companies

City- and county-level power companies are mainly responsible for the construction of power grids, dispatch of power, power distribution and sales, and supervise and guide power safety and energy saving measures within the city/county.

Main Business Management

To enhance overall operational efficiency, we optimise the division of responsibilities among the Company's headquarters (and branch offices), provincial companies, and city- and county-level companies under the principle of coordinated management and tiered implementation. In particular, we have centralized the management of major business functions: planning, construction, operation, maintenance and marketing.

The Company	Branch companies	Provincial-level power grid companies	City-level (and County-level in maintenance) power companies
Planning			
Organise and conduct research on the company's power grid planning. Organise the preparation of the company's power grid planning research report. Organise and review regional and provincial power grid planning research reports. Manage ultra-high voltage (UHV), cross-border and cross-regional power grid planning projects, special power grid projects, independent secondary projects, and demonstration projects for new power systems.	Organise and conduct power grid planning research for the region's 500 kV and above networks. Organise the preparation of regional 500 kV and above power grid planning research reports. Manage regional power grid planning projects for 500-750 kV networks.	Organise and conduct power grid planning research within the province while supporting the branch office in regional 500 kV and above power grid planning research. Organise the preparation of provincial power grid planning research reports. Organise the review of power grid planning research reports from city-level companies. Manage provincial power grid planning projects at the 110 (66)-330 kV levels, as well as independent secondary grid projects.	Research of the district's development program of local under 35kV power grid (10 kV program may be delegated to county-level companies) Preparation of local power grid development report Review of development report of county level power grid Feasibility review of 35kV and below power grid projects (qualified projects with 10kV or lower voltage can be authorised to the county company.)
Construction			
Construction of cross-district UHV AC and DC and key trans-regional DC transmission lines	–	Provincial companies are responsible for managing the construction of ultra-high voltage (UHV) AC and DC projects entrusted by the headquarters. They are also responsible for managing the construction of power grid projects at all voltage levels within their jurisdiction.	–

The Company	Branch companies	Provincial-level power grid companies	City-level (and County-level in maintenance) power companies
Operation			
Responsible for organising, directing, guiding, and coordinating the operational control of the national power grid dispatch. It directly manages the dispatch of ultra-high voltage (UHV) transmission systems, inter-regional connection lines, and power plants supplying power across regions along with their outgoing systems.	The regional dispatch and control center is responsible for the dispatch and operational control of the regional power grid. Its dispatch jurisdiction includes the 500 kV and above backbone grid within the region (excluding areas directly dispatched by the national dispatch center), inter-provincial connection lines, and power plants supplying electricity across provinces along with their outgoing systems.	The provincial dispatch and control center is responsible for the dispatch and operational control of the provincial power grid. Its dispatch jurisdiction includes the 220 kV and 330 kV grids within the province, power plants supplying electricity for provincial consumption outside the scope of direct dispatch by the regional dispatch center, and power generation, transmission, and transformation systems authorised by higher-level dispatch authorities.	The city- and county-level dispatch and control centers are responsible for the dispatch and operational control of the power grid within their respective jurisdictions. Their dispatch jurisdiction includes 10 (6, 20) to 110 (66) kV power grids in the region, as well as power generation, transmission, and transformation systems designated by higher-level dispatch authorities. They are also responsible for conventional power sources with single-unit or total installed capacity below a specific threshold, centralised renewable energy stations, and distributed energy sources and storage systems operating at voltage levels above 0.4 kV connected to the grid.
Maintenance			
–	–	Provincial companies, based on the principle of regional responsibility, are responsible for the operation, maintenance, and repair of AC and DC power grid equipment at all voltage levels within their respective areas. Among them, provincial ultra-high voltage (UHV) companies primarily handle the operation, maintenance, and repair of main grid equipment at 500 kV and above within the province.	City-level power supply companies are primarily responsible for the operation, maintenance, and repair of power grid equipment within their jurisdiction, excluding equipment managed by the provincial ultra-high voltage (UHV) company.

The Company	Branch companies	Provincial-level power grid companies	City-level (and County-level in maintenance) power companies
Marketing			
The Company's headquarters is responsible for developing market expansion plans, conducting policy research, and establishing systems and standards for policies, services, technologies, and performance evaluation. It manages the improvement of the power business environment, electricity billing and settlement, agency power purchasing, demand-side management, and ensuring power supply on the customer side. Additionally, it oversees metering system development, handles complaints and supervision, manages online and offline service channels, leads the digitization of marketing operations, and supports rural revitalization efforts.	–	Provincial companies are responsible for centralised operations such as handling customer applications for power connections in their respective regions, electricity billing (meter reading, verification, and collection), centralised calibration and distribution of metering devices, demand-side management, high-quality customer service, service channel development and operation, the construction and promotion of marketing automation systems, and the management of related business applications.	City-level companies are responsible for implementing tasks within their respective areas related to electricity billing and tariffs for power customers, high-quality customer service, business operations, marketing informatization, electricity inspections, metering services, electricity information collection, market expansion, and energy efficiency. County-level companies are responsible for the detailed execution of tasks in their respective areas, including electricity billing and tariffs for power customers, high-quality customer service, business operations, marketing informatization, electricity inspections, metering services, electricity information collection, market expansion, and energy efficiency initiatives.

Government Regulations

As a key state-owned energy transportation platform, we are subject to strict regulation by multiple national authorities, ensuring safer, more reliable, and more sustainable power supply. Below are the main regulatory authorities in China's energy sector:

- **The SASAC** exercises the following duties and responsibilities as our shareholder: (i) setting up and completing an index system to supervise and regulate how we maintain and increase the value of our State-owned assets; (ii) appointing and dismissing the chairman, vice chairman and directors; (iii) evaluating performances of the appointed corporate managers in accordance with statutory procedures, and granting awards or imposing punishments based on the results of such evaluation; and (iv) supervise and inspect the company's implementation of national work safety policies and relevant laws, regulations and standards.

- **The NAO** is responsible for national audit work and performs the following functions: (i) carry out audit and supervision of the truthfulness, legality and results of relevant economic activities by state-owned enterprises and the implementation of policies from the central government independently and in accordance with law; (ii) carry out audit supervision on the implementation of major national economic and social policies according to the approved audit project plan; (iii) carry out audit and departure audit of natural resources assets on the performance of economic responsibilities of leaders and officers in state-owned enterprises; and (iv) discharge responsibilities of supervisory committees in key large-scale state-owned enterprises.

- **The NDRC** is PRC's regulator of macroeconomic, which is mainly responsible for (i) reviewing and approving trans-border and trans-provincial power grid projects of DC±500 kV and above and AC 500 kV, 750 kV and 1,000 kV; (ii) the reviewing and approving of overseas investment projects in sensitive countries, regions and sectors, the filing of overseas investment projects by

SOEs directly under the management of the central government or by local enterprises with an investment of US$300 million or above; (iii) setting on-grid tariffs, electricity sales prices and transmission and distribution tariffs and supervising the implementation of the tariffs. All our power grid investment projects are subject to an environmental impact assessment and the completion of other early-stage work, and must be submitted to the NDRC or its branch at provincial level for approval depending on the size of the investment. No power grid project may proceed without this approval.

- **The NEA** is administered by the NDRC and performs the following functions: (i) organizing the formulation of power industry policies and relevant standards; (ii) under the administration of the State's Council, compiling and carry out the power development strategy, revolution program and power regulations; (iii) under the administration of the State's Council, reviewing and approving fixed assets investment projects in the energy sector following the authorization of the State Council; (iv) regulating the operation of the power market, supervising the relevant power prices and set prices for ancillary power-related services; and (v) monitoring and administering power production safety, reliability and contingency handling. The NEA is currently overseen by the NDRC.

Our Business Model

According to the requirement of the NDRC to comprehensively accelerate the transmission and distribution tariffs reform (the "**Reform**"), the Company completed such reform on all provincial grids except that of Tibet. After the completion of the Reform, the government's supervision and administration of grid enterprises will transform from an indirect model (where the government sets the on-grid tariffs and electricity sale prices and grid enterprises earn the price differences) to a direct model (where the government carries out comprehensive supervision and administration regarding the transmission income, costs and prices based on grid assets). Grid enterprises will charge grid passage tariffs according to the transmission and distribution tariffs as set by the government.

Currently, we dispatch and purchase the electricity generated by independent power producers within our operating region in accordance with regulations. We also sell electricity, as stipulated, to direct power supply users and independent distribution companies. Our revenue primarily comes from electricity tariff income earned by selling electricity to end-users within our service area, while our costs mainly consist of electricity procurement costs from power producers, depreciation, and operation and maintenance expenses incurred during the Company's operations, as well as various taxes and fees. The difference between revenue and costs corresponds to the permitted return determined by the government, which is settled on a regulatory cycle basis, ensuring stable profits for the Company.

Purchase of Power

We purchase on-grid electricity from power generation companies within our service area that are independent from us at the fixed on-grid tariffs or at market price.

The electricity purchase and sale agreements are based on the agreement template published by the SERC (which has subsequently been succeeded by the NEA) and the formerly State Administration of Industry and Commerce (which has subsequently been succeeded by the State Administration of Market Supervision) for purchase of electricity from power plants. Such agreements are typically entered into annually and contain provisions such as the planned volume of electricity to be purchased and the adjustment thereof, purchase price, metering and calculation of electricity transmission volume, payment and settlement and liabilities for breach. The volume of electricity to be purchased will be determined directly according to the amount of electricity required by government documents or in a market-oriented way under government oversight based on the demand forecast for the year, subject to power grid safety restrictions and the principle that the same type of units connected to a grid should maintain a substantially comparable utilization rate. At the same time, considering the safety constraints of the

power grid, the electricity consumption is determined either directly in accordance with the quantities specified in government-issued documents under government supervision or through market-based mechanisms.

The settlement is based on the contract and measured electricity consumption. The calculation of the electricity amount is made on a monthly basis. In calculating the payment for the electricity purchased, the purchaser and the seller multiply the government-fixed or contractual on-grid tariffs by the volume shown on the meter installed at the metering point as of 24:00 Beijing time on the last day of each month. Electricity prices are determined according to government regulations or marketization. Electricity rates are calculated based on the volume and power prices.

Power plants may be classified, by source of energy, into hydropower, thermal power (mainly comprising coal-fired units and a small number of gas-fired units), nuclear power, wind power and solar power plants. The government sets different on-grid tariff policy for different source of electricity. At present, thermal power is the major source of our purchases, accounting for 56.2 per cent. of our total purchases in 2024.

Sale of Electricity

We are under a statutory obligation to supply electricity to all customers within our service area and to enter into electricity use contracts with them. As of December 31, 2024, we had 630.26 million customers, including around 55.59 million general commercial and industrial users, 557.62 million residential users and 17.05 million other users. There has been a steady increase in users for the last three years, and we recorded a CAGR of 4.6 per cent. During these three years, general commercial and industrial users grew by an average of 2.463 million annually, representing a CAGR of 4.9 per cent.; residential users grew by an average of 22.91 million annually, representing a CAGR of 4.5 per cent.; and other users grew by an average of 0.904 million annually, representing a CAGR of 5.9 per cent.

In accordance with applicable laws and regulations and based on the voltage level of the customers and the nature of their use, we have four types of power supply and use agreements: for high-voltage, low-voltage and provisional power supply and use, and for intermediate power supply. All power supply and use agreements contain provisions such as the user's address, type of use, method of supply, capacity of user, quality of supply, metering of electricity supplied, price and payment, demarcation point dividing the ownership of power supply facilities between the supplier and the user, and responsibilities for repair and maintenance of such facilities. We implement a tiered management system for power supply contracts based on electricity consumption levels. Supply contracts are signed between customers and city- or county-level power companies, depending on the voltage level of the customer's connection.

After we enter into power supply and use agreements with our customers, we mainly meter electricity and settle electricity charges on a monthly basis and provide VAT invoices and electricity bills to our customers in accordance with applicable regulations and rules. Where a customer fails to pay or delays the payment of its bill, we have the right to claim liquidated damages from such customer according to relevant laws and regulations and as agreed in the power supply and use agreement. For customers that we consider having higher default risks, we adopt methods such as shortening the pricing circle, charging separately or using prepaid payment regime to lower the risks.

Pricing Mechanisms

(1) Electricity Sales Price

The electricity sales price is the price ultimately paid by end-users to the Company for the electricity they consume. Residential and agricultural electricity usage is charged based on the government's catalogue prices. For other categories of users, the electricity sales price is calculated as follows: "on-grid electricity price + line loss costs incurred at the grid connection stage + approved transmission and distribution price (including cross-subsidies) + system operation fees + government funds and surcharges."

Regarding on-grid electricity prices, as of 2021, China has fully liberalised the pricing for on-grid electricity generated from coal-fired power. A "benchmark price plus floating range" mechanism for medium- to long-term coal power trading was established, with a floating range of no more than ±20%. In January 2025, the NDRC issued the "Notice on Further Reforming the Marketisation of Renewable Energy On-Grid Electricity Pricing to Promote High-Quality Development of Renewable Energy", encouraging renewable energy to fully participate in the electricity market and form prices through market transactions. A marketized pricing mechanism for on-grid electricity with prices that "can rise and fall" is accelerating its establishment.

(2) Transmission and Distribution Price

The transmission and distribution price refers to the price paid by customers for transmission and distribution services. It is determined based on the approved costs and the permitted returns on effective assets as reviewed by cost supervision. According to the principle of "permitted costs plus reasonable returns," the permitted revenue of the power grid is determined. After dividing this by projected electricity consumption, the transmission and distribution price is calculated and categorised by province, user type, and voltage level. Each province follows the transmission and distribution price directory by voltage level published by the NDRC.

(3) Line Loss Costs at the Grid Connection Stage

Line loss costs at the grid connection stage are calculated based on the actual on-grid electricity price and the comprehensive line loss rate.

(4) System Operation Fee

System operation fees include costs such as pumped-storage capacity electricity fees and ancillary service fees.

(5) Government Funds and Surcharges

Government funds and surcharges include the following: Major Water Conservancy Construction Fund, Large and Medium-scale Reservoir Resettlement Support Fund, Small Reservoir Resettlement Support Fund, Rural Grid Loan Repayment Fund and Renewable Energy Tariff Surcharge.

Dispatch

The power dispatch system in China is operated by us and China Southern Power Grid. We are responsible for the dispatch of power in the 26 provinces, autonomous regions or centrally managed municipalities within our service area, while China Southern Power Grid is responsible for the dispatch of power in Guangdong, Guangxi, Yunnan, Guizhou and Hainan provinces. Our dispatch system includes the National Power Dispatch Center, six regional dispatch sub-centers, 27 provincial dispatch centers, 316 city-level dispatch centers and 1,599 county-level dispatch centers.

In accordance with the PRC Electric Power Law（中華人民共和國電力法), which came into effect in April 1996, and the Regulations on the Administration of Electric Power Dispatch within Grids（電網調度管理條例), which came into effect in November 1993, the dispatch centers at different levels are responsible for the implementation of dispatch control of power grid users and connected power generation companies within their respective operating territories. Lower-level dispatch centers must obey the orders of higher-level counterparts and implement rules, standards and other regulatory documents made by the higher-level counterparts. All power generation companies connected to the power grid must sign grid connection and dispatch agreements and obey the orders of dispatch centers.

The National Power Dispatch Center is responsible for the unified dispatching management of the State Grid, the organization, command, guidance and coordination of dispatching and control operation of the State Grid, and the direct dispatching of the UHV transmission system, the cross-regional connection lines, the cross-regional power plants and their outward transmission systems.

The regional control centers are responsible for dispatching and controlling the regional power grid. Their coverage include the backbone power grids above 500 kV outside the scope of the National Power Dispatch Center within the region, interprovincial connection lines, interprovincial power plants and their outward transmission systems.

Provincial-level dispatch centers are responsible for the dispatch control operation of provincial power grids, including 220 kV and 330 kV power grids and power plants used for provincial consumption but outside the direct control scope of the main grid, and the generation, transmission, and transformation systems authorised by higher-level control agencies.

City-level and county-level dispatch centers are responsible for the dispatch control operation of local power grids, including power grids of 10 (6, 20) -110 (66) kV and electricity generation, transmission and transformation systems designated by the higher-level dispatching authorities. They are also responsible for the conventional power sources with a single-unit or total installed capacity below a specified threshold, centralised renewable energy stations, as well as the distributed generation, energy storage systems, and other facilities that are interconnected at voltage levels above 0.4 kV.

Power Grid Planning and Construction

The growth of China's economy will likely continue to drive an increase in demand for electricity. As of the end of 2024, China's capacity was approximately 3.35GW. We are in the process of upgrading and expanding our power grid network in order to meet the challenge of achieving a long-term, safe and reliable supply of electricity. For the years ended December 31, 2022, 2023 and 2024, our capital expenditures amounted to RMB549.2 billion, RMB609.6 billion and RMB697.5 billion, respectively, which were mainly used for power grid construction.

Construction and Upgrade of Power Distribution Grids

In 2024, we completed a new round of rural grid upgrade target with a total investment of RMB163.1 billion. We focused on implementing the deployment of rural revitalization strategy and implementing agricultural network consolidation and upgrading projects, and have achieved a rural area supply reliability rate of more than 99.9153 per cent. and a general voltage qualification rate of 99.831 per cent. The rural area has been almost completely covered with increased power supply capacity. In 2024, our power supply reliability rate of urban users reached 99.9786 per cent., and our power supply reliability rate of rural users reached 99.9153 per cent., increasing 0.0029 percentage points and 0.0144 percentage points respectively, compared with 2023.

Other Businesses

Strategically important emerging industries

Strategic emerging industries are an important component of the Company's business portfolio. These include 16 business segments such as industrial control, information and communications, integrated energy services, electric vehicle services, industrial chips, energy e-commerce, new energy storage, and smart terminals. Among them, the industrial control business continued to consolidate its dominant position and maintained steady development throughout the year, with revenue and profit increasing by 13.5 per cent. and 16.3 per cent. year-on-year respectively. The newly signed sales contract value of new power grid technology exceeded RMB100 billion, and international business achieved double-digit growth. In the fields of energy Internet and other fields, a number of R&D results with international advanced level have been achieved. In particular, technologies such as UHV transmission, flexible AC/DC transmission, large-scale grid security and stability control, grid dispatching, and relay protection in the energy internet domain are recognized as globally leading.

Overseas Engagement

We leverage our strengths in grid operation, management, technology, human resources, capital and brand name to actively explore the international market. We incorporated a wholly owned subsidiary in Hong Kong, State Grid International Development Limited, as the platform for international investments in 2007, and invested in National Grid Corporation of Philippines, State Grid Brazile Holdings, CPFL Energia of State Grid Brazil, Redes Energéticas Nacionais, SGPS, S.A. in Portugal, ElectraNet Pty Ltd., SGSP (Australia) Assets Pty. Ltd., AusNet Services Limited in Australia, CDP Reti S.p.A. in Italy, HK Electric Investments Limited in Hong Kong, the global Energy and Interconnection Network European Research Institute, the equities of the Greece National Grid Corporation, Oman Electricity Transmission Company, Chilquinta Energía S.A. and Chile CGE Company. We also provide power EPC, power equipment export and power technology consulting and services overseas.

We regard the creation of value for local stakeholders as a point of departure and point of settlement, regard the regulatory assets based on transmission and distribution network business as the main investment targets, strive to rationally and scientifically expand the scale of overseas investment and steadily operate overseas assets. We adhered to the principle of "consultation, cooperation, sharing", mutual benefit and win-win cooperation, with the concept of "commercialized, sustained and localized operation", we actively participate in the management of our overseas project companies, and continue to explore the potential of our overseas assets with the aim of mutualistic development.

We attach great importance to the construction of risk prevention and control system and compliance management system, stay true to our fundamental values, firmly establish risk awareness, conduct in-depth screening of potential risks faced by overseas projects, and ensure that the whole process of overseas assets management is legal and compliant in all aspects.

We have set up overseas representative offices in the United States, Germany, Brazil, South Africa, Russia, Philippines, Australia, Japan, the United Arab Emirates and Hong Kong in order to seek investment and cooperation opportunities.

The Philippines

In January 2009, the National Grid Company of the Philippines ("**NGCP**"), our joint venture with a local partner in the Philippines, officially took over the operation of the Philippine National Transmission Grid, the transmission grid of which covers 87 per cent. of territory and serves 93 per cent. of population. The franchise period was 25 years. We hold 40 per cent. of the shares of NGCP and the other two parties each holds 30 per cent. of the shares. NGCP is responsible for the planning, construction, dispatch, operation and maintenance of the Philippines national transmission grid. After the takeover, the NGCP grid operation index has been greatly improved, and it has been awarded the Philippine Energy Regulatory Commission's grid performance evaluation award for over ten consecutive years. In October 2020, NGCP was awarded the "2020 Global Enterprise of the Year Award" by the International Chamber of Commerce (ICCP) of the Philippines, one of only three companies in the country to receive this award. The award is a recognition of NGCP's commitment to providing reliable, safe, efficient and affordable power transmission services and its outstanding contribution to the economic and social development of the Philippines over the past decade. In 2024, NGCP won the "National Promoter Award" from the Philippine Chamber of Commerce and Industry, which represented the Philippine business community's high recognition of NGCP's outstanding contribution to the development of Philippine infrastructure and economic growth.

Brazil

We invested and operated State Grid Brazil Holdings and CPFL in Brazil to provide power transmission and distribution services to 15 Brazilian states such as Rio de Janeiro and Sao Paulo. Our various operational indicators are at the forefront of the local industry, with stable asset management, controllable risks and good profitability, which enable the two companies to strongly support the economic and social development of Brazil and establish a good international brand image.

State Grid Brazil Holdings. In July 2010, we established an overseas wholly-owned subsidiary, State Grid Brazil Holdings, in Rio de Janeiro. State Grid Brazil Control Corporation has successively acquired 100 per cent. equity of 14 local transmission concession companies. These companies have concession periods of 30 years and are mainly located in the southeast of Brazil's most developed economic areas. The service area covers major loads such as Rio de Janeiro, Sao Paulo and Brasilia. At the same time, we also actively promoted the development of greenfield transmission concession projects, successively invested in the construction and operation of a number of large-scale greenfield transmission concession projects such as the Belo Monte ± 800 kV UHV transmission phase I and phase II projects and the Trispiers hydropower transmission phase I and phase II projects and achieved a rolling development in the Brazilian market. The first and second phases of the Belo Monte UHV transmission project run through the north and south parts of Brazil and was appraised as "Brazil Electricity High-way". As the main electricity channel between north and south Brazil power grid, it has realized the "long-distance, high-volume and low-loss" transmission of clean water and electricity power. It meets the annual electricity demand of 22 million people in the core regions of Sao Paulo and Rio de Janeiro and effectively guarantees the safe and reliable supply of Brazil's power energy. It is an important milestone in the China-Brazil power energy cooperation. The second phase of the Belo Monte UHV transmission project was awarded "China Industry Award", "PMI (China) Project Management Award", "Best Practice Award for Socio-Environmental Management in Brazil", "Best Practice Award for Energy International Cooperation" and other important awards. In September 2019, State Grid Brazil Holdings received an investment-grade international credit rating of Baa3 from Moody's, two notches higher than Brazil's sovereign rating of Ba2. It also achieved Moody's highest domestic rating in Brazil, Aaa, with a stable outlook. From December 2023 to February 2024, State Grid Brazil Holdings completed its equity diversification by introducing three Chinese investors, namely Guoxin International, China-Latin America Industrial Cooperation Investment Fund and China-Portugal Cooperation Development Fund. Currently, the Company and the external investors hold 74.17% and 25.83% of the shares in State Grid Brazil Holdings, respectively. Among the external investors, Guoxin International holds approximately 16.5%, China-LAC Fund holds 8.33%, and the China-Portugal Fund holds 1%. In December 2023, we independently won the bid for the complete segment of the ±800 kV UHV DC transmission project for delivering new energy from northeastern Brazil. This project supports Brazil's transition to clean and low-carbon energy and established a new model of green cooperation among BRICS countries while providing high-quality services to jointly promote the "Belt and Road" initiative. On April 3, 2024, we signed the concession agreement for the ±800 kV UHVDC transmission project with Brazil's Ministry of Mines and Energy and the National Electric Energy Agency at the Presidential Palace in Brazil. At present, State Grid Brazil Holdings operates more than 16,000 kilometers of transmission lines, which makes it the third largest power transmission company in Brazil. It has successfully completed several significant power security missions, including the World Cap, the General Election of Brazil and the Olympics. It has also been awarded twice the "Best Enterprise in the Brazilian Power Industry". Moreover, it has been awarded as one of the "Top 100 Most Influential Companies in Brazil" and the "Best Practice Award for Social Responsibility Management" by the United Nations Global Compact.

CPFL. CPFL is one of Brazil's largest power distribution companies and new energy companies, as well as a flagship enterprise in Brazil's power sector. In January and December 2017, the Company completed the two-stage acquisition of equity in CPFL. In June 2019, CPFL successfully conducted a public offering of its shares, restoring the market liquidity of its stock. Currently, the Company holds an 83.71 per cent equity stake in CPFL. Since the acquisition in 2017, the Company has focused on corporate governance, comprehensively strengthened CPFL's business management, implemented enhancements across operations, proactively mitigated risks, and improved key operational performance indicators. In recent years, CPFL has worked diligently to overcome challenges posed by Brazil's economic downturn and the severe effects of the pandemic, ensuring reliable power supply for societal needs and public well-being. Key operating performance indicators for its distribution business have reached historic best levels. The average power outage time and frequency for customers have both decreased by more than 40 per cent compared to pre-acquisition levels. CPFL's distribution subsidiaries have ranked among the top three for power supply reliability in Brazil, maintaining industry leadership. CPFL's reliability index for conventional power generation remains ranked first nationally, and its

hydropower plants have been repeatedly recognized as the "Safest Power Plants in Brazil." Through ongoing improvements in operational efficiency and extensive efforts to maximise added value and profit potential, CPFL has achieved significant increases in business performance. The power business environment in its service areas has significantly improved, and customer satisfaction and positive feedback rates have risen substantially. CPFL has been recognized with major industry awards, including "Best Power Distribution Enterprise," "Best Customer Service Award," "Best Brand Investment Value Award," "Latin American Engineering Industry Outstanding Service Award," and "Most Sustainable Enterprise in Brazil's Energy Sector." Additionally, CPFL has been included as a sample stock in 11 core indices, such as the São Paulo Stock Exchange Index (IBOVESPA), the Corporate Sustainability Index (ISE), and the Carbon Efficiency Index (ICO2), demonstrating extensive recognition from market investors. CPFL has also actively fulfilled its corporate social responsibilities and has been recognized by the United Nations as an "Outstanding Case of Sustainable Development."

Portugal

In 2012, we acquired a 25 per cent. stake in Redes Energéticas Nacionais, SGPS, S.A. ("**REN**"). As the single largest shareholder and a strategic investor in REN, we have become a shareholder to a national level power grid in Europe. REN is Portugal's only national level power transmission company, which is mainly involved in the transmission and dispatch of electricity and natural gas. With our active assistance, REN has successfully applied for financial support from Chinese financial institutions, which has effectively reduced financial costs. REN's credit ratings have been increasing steadily and it has become the first Portuguese company which have received ratings from the big three rating companies.

In June 2013, we entered into an agreement with REN to set up a joint venture research and development center ("**SGCC – REN R&D Center**") to carry out research focusing on operational control of the power grid, utilization of clean energy and other topics, which has promoted the operation level, technology renovation capability and industrial influence of REN. In 2017, REN issued new shares and we maintained our 25 per cent. shareholding in REN through increasing our holdings. In December 2018, witnessed by President Xi Jinping and the Prime Minister of Portugal, we signed the cooperation contract with REN to deepen the communication and cooperation and to carry out third-party market cooperation. With our support, REN has managed the acquisition of Portugal gas distribution assets, Chile power transmission assets and gas transmission assets, which has proved it with a great breakthrough into the international market.

Australia

In December 2012, we completed the acquisition of a 41.11 per cent. stake in ElectraNet Pt Ltd. ("**ElectraNet**"). In May 2013, we acquired an additional 5.45 per cent. stake in it, bringing our total stake to 46.56 per cent. ElectraNet is a transmission network service provider in South Australia. In June 2024, ElectraNet fully repaid all shareholder loan notes ahead of schedule and issued new ordinary shares according to the proportion of shareholder loans held by both parties. Our shareholding proportion was adjusted to 45.89 per cent.

In January 2014, we completed the acquisition of a 60 per cent. stake in SPI (Australia) Assets Pty Limited ("**SPIAA**") and a 19.9 per cent. stake in AusNet Services Limited ("**AusNet**"). SPIAA has been renamed as SGSP (Australia) Assets Pty Ltd. It provides power and gas distribution and infrastructure services in New South Wales, Victoria and Queensland, Australia. AusNet is listed in Australia and Singapore. It is a power distribution enterprise in Victoria, Australia and provides power and gas distribution and technology consultancy services.

Since we became the shareholder, the three asset companies have operated smoothly and expanded stably. Their operational indexes have all satisfied regulatory standards and their power service qualities and profitabilities have steadily improved. Our return on assets is stable under good operation conditions. State Grid Australia Assets Company was awarded the "Best Communication Award" and the "Outstanding Overseas Investor Award" by the Australian Energy Industry Consumer Association.

In February 2022, our project of passive sale of the equity interests in AusNet was completed. We passively sold our equity interests in AusNet to Brookfield Group (Canada) and have received the full transaction price with good project returns, which fully reflected the market investors' acceptance and recognition of the value of the offshore energy network assets invested and operated by the Company.

Italy

In December 2014, we completed the acquisition of a 35 per cent. stake in CDP Reti S.p.A. ("**CDP Reti**"). CDP Reti owns 29.85 per cent. of TERNA Spa, 31.04 per cent. of Snam Spa and 26.04 per cent. of ITALGAS. CDP Reti is the largest shareholder of these three companies and has control over them. TERNA Spa is the largest power transmission operator in Europe and the sixth largest in the world. It owns approximately 99.7 per cent. of the power transmission grid in Italy. SNAM is the largest natural gas transmission operator. It owns 94 per cent. of the national gas transmission grid in Italy and also owns assets in four other countries in Europe. ITALGAS is the largest gas distribution in Italy and the third largest in Europe, owning 50 per cent. of the gas transmission market in Italy. From the closing of the acquisitions until the date of this Offering Circular, we have cooperated closely to support these three companies' development. All of the three companies have steadily increased their operational results, asset scales and international influences, which have been superior to that of other companies in the industry.

In May 2018, we signed a memorandum of understanding with SNAM; in April 2019, as witnessed joint by Prime Minister Li Keqiang and Prime Minister of Italy, we signed a cooperation framework agreement with ITALGAS, which promotes both parties to cooperate in energy conservation and emission reduction, technology communication and third-party country investment. In addition, China and Italy have held a multilateral forum regarding the transformation of power and cooperation in natural gas development, which has promoted international multilateral cooperation and achieved great outcome.

Greece

In June 2017, we completed the acquisition of a 24 per cent. stake in Independent Power Transmission Operator ("**IPTO**"), the national transmission system operator in Greece responsible for the operation, maintenance, development and dispatch of power in all of Greece and manage the power market. IPTO is also responsible for the grid interconnection and intercommunication between power grids of Greece and adjacent countries. After becoming a shareholder, we actively took advantage of our technology to assist in diagnosing the problem of achieving the safe and stable operation of the Greek power grid and carried out management upgrades to significantly improve the safe and stable operation of the Greek power grid. We also promoted Chinese banks to provide low-interest loans to IPTO companies to replace the original high-interest loans and save corporate financial costs. In November 2019, under the joint witness of President Xi Jinping and the Greek Prime Minister, we signed the "Crete Networking Project Equity Investment Intention Agreement" with IPTO, which was included in the 2020-2022 China-Greek key cooperation projects between the two governments. It will help promote the interconnection of power infrastructure, further deepen China-Greek practical cooperation in the energy field. In November 2024, the Company and IPTO signed a 20 per cent. equity purchase agreement for the Crete DC interconnection project. At present, the first phase of the Crete interconnection project has been successfully completed in 2021, and the second phase of the interconnection project is under orderly construction.

Hong Kong

In January 2014, we successfully invested as a cornerstone investor in Hong Kong Electric Holdings Limited ("**HK Electric**") and we then held 21 per cent. of its shares and became its second largest shareholder. HK Electric is one of the two major power companies in Hong Kong. It provides integrated services for power generation, transmission, distribution and sales to more than half a million users on Hong Kong Island and Lamma Island. After the investing, we have actively participated in the operation and management of HK Electric by sending directors and executives, and actively promoted HK Electric

to ensure the safe and stable operation of the power grid as the core content of its operations. HK Electric continues to maintain a worldwide first-class level in relation to its safe production, power supply reliability and customer service. The reliability rate of power supply has been maintained above 99.999 per cent., Hong Kong's "getting electricity" index ranked forefront in the world and was highly recognized by all sectors of society.

Oman

In March 2020, we completed the acquisition of 49 per cent. equity in Oman Electricity Transmission Company ("**OETC**"), and the seller, Amana Holdings, still holds 51 per cent. equity. OETC is responsible for the construction, operation, maintenance and dispatch of Oman's national transmission grid, and its service area covers about two-thirds of Oman's land area with the transmission lines spanning over 9,000 kilometers. Following the project handover, the Company actively provided technical and management support based on OETC's needs, striving to enhance OETC's operational management capabilities and the construction and operation standards of the power grid. At the same time, we promoted the implementation of several key interconnection projects, including the North-South Interconnection, achieving significant cooperative results.

Chile

In June 2020, we completed the acquisition of 100 per cent. of the shares of Chilquinta Energia and Tecnored S.A. ("**Chilquinta Energia**"). Chilquinta Energía is the third largest power distribution company and the fourth largest electricity transmission company in Chile, with about 17,000 kilometers of distribution lines and a service population of more than 2 million, with the quality of electricity distribution services has long been a leader among similar companies in Chile; It also has 1,100 km of transmission lines. The vast majority of Chilquinta Energia Group's revenue comes from regulatory business, with low operating risks and excellent asset quality. In March 2021, Chilquinta Energia was awarded the "Sustainable enterprise Award" by the Chamber of Commerce for Construction Enterprises (CCHC) in Chile, and for the fourth year in a row, it was selected as the "Best Workplace in Chile". In 2024, Chilquinta Energía maintained its position as the top-ranked provider in the 2024 comprehensive ranking of electricity supply services published by Chilean government.

In July 2021, we completed acquisition of 97.145 per cent. of the equity in Compañía General de Electricidad ("**CGE**") from Sempra Energy. CGE is the largest power distribution company in Chile and the second largest electricity transmission operator. It has 69,000 kilometers of distribution lines and 3,600 kilometers of transmission lines. It also has power equipment manufacturing and some regional power generation business. With the joint efforts of the management and staff of both China and Chile, CGE has shown good development momentum. In 2024, CGE Distribution Company's credit rating improved, achieving AA- from Fitch and AA from Feller in Chile's domestic ratings. CGE Transmission Company, for the first time, obtained shadow international credit ratings of BBB+ from S&P and Baa1 from Moody's, surpassing the ratings of other companies in Chile's energy sector. These achievements reflect the recognition by public markets and investors on the Company's promising development prospects.

Pakistan

In September 2021, we completed the high-quality construction of the Matiari-Lahore DC Transmission Project in Pakistan and put it into commercial operation. The project was constructed by China Electric Power Technology and Equipment Co., Ltd., a subsidiary of the Company, under the Build-Own-Operate-Transfer (BOOT) model. The scope of the project includes Mertiari Converter Station, Lahore Converter Station and ±660 kV DC transmission line with a transmission capacity of 4 million kilowatts and an operation period of 25 years. The project is the only power grid project in the field of energy cooperation under the framework of China-Pakistan Economic Corridor (CPEC), as well as the transmission project of the highest voltage level, longest transmission distance and largest scale in

Pakistan to date. It promotes the backbone grid upgrade in Pakistan and helps Pakistan to enter a new era of large AC/DC hybrid grid. It has epoch-making significance for Pakistan's economic development and power industry progress and injects vigorous energy for the construction of CPEC.

Provision of Engineering and Technology Services

We have developed a uniform procurement platform. Our design and construction team for electric engineering projects is equipped with advanced technologies and extensive experience. We have established a wholly owned subsidiary, China Electric Power Technology and Equipment Co., Ltd., which carries out overseas EPC projects. Leveraging our experience and strengths in technology, we actively seek to participate in electrical engineering EPC projects and subcontracting projects and to provide technological consultancy services around the world. For example, we have provided EPC and technology consultancy services for large-scale power transmission and transformation projects in countries such as Brazil, Saudi Arabia, Ethiopia and Egypt.

Financial Businesses

The financial business serves as a strong pillar supporting the high-quality development of the Company and the power grid. Over years of development, the Company, through Yingda Group, has obtained financial licences covering various sectors, including finance company licence, property insurance, life insurance, trust, securities, and financial leasing. These licences span major areas of the financial industry, such as financing, insurance, and asset management. Adhering to the overall positioning of embedding in core operations, serving industrial development, strengthening industries through finance, and creating value, we focus on our core responsibility of serving the power grid. We are committed to continuously improving the efficiency and quality of services related to financing, insurance, and asset management. With the help of the "E-electricity" platform, we provided inclusive financial services totalling RMB830 billion to the upstream and downstream of the industrial chain as of 2024.

Emerging Businesses

Strategically important emerging industries are the new driving force for the Company to achieve sustainable development. To promote the development of the new energy vehicle industry, the Company has established the State Grid Smart Internet of Vehicles Platform, the largest open and intelligent charging and battery-swapping service platform for electric vehicles in China. As of the end of 2024, the platform had cumulatively connected 836,000 start-stop-enabled charging piles and had 40.03 million registered users; cumulatively, 6,384 smart substations have been constructed and renovated; and 636 million smart meters have been installed, achieving 100 per cent. coverage.

INTELLECTUAL PROPERTY

We rely on a variety of patents, copyrights, trade secrets and trademarks to maintain and enhance our competitive position. As of December 31, 2024, we held 115,625 patents in total.

RESEARCH AND DEVELOPMENT

The PRC government has expressly stated its support for the research, development and consumption of clean energy in a series of industry policies including its Fourteenth Five-year Plan and 2035 Vision. President Xi Jinping put forward the construction of a new power system with new energy as the main body, which provided a fundamental guidance for the development of China's energy and electric power, and put forward new and higher requirements for us. The Party Central Committee and the State Council attach great importance to promoting energy transformation and achieving the "dual carbon goal" and have made many important decisions and deployments in the fields. It is made clear that greater efforts shall be made to the planning and construction of the new energy supply and consumption system which is based on the large-scale wind and photovoltaic power base, with its surrounding clean, efficient and advanced energy-saving coal power as support, and with the stable and reliable UHV transmission and distribution lines as the vehicle.

We see research and development as key to our competitiveness and continue to invest in research and development.

We have a large number of subsidiaries focusing on, or engaging in, research and development. We have five directly owned scientific research entities and six directly owned electric equipment manufacturing entities, 54 provincial-level research institutions and two overseas and five joint research and development institutions, which together form the core of our research and development system to support our growth. These entities carry out research on, and provide consultancy services relating to, key power grid technologies, participate in the making of international, national and power industry technical standards, and prepare development plans for the national and regional grids.

We have a large talent pool of 51,000 research and development personnel. We own six key national-level laboratories, two national-level field observatory station, one national-level engineering technology research center, four "national engineering research centers" named by NDRC and seven national-level energy research and development (experiment) centers named by NEA and 66 company-level laboratories.

We adhere to the principle of independent innovation and have constructed the Changji-Guquan ±1100 kV UHV DC transmission project, which has the largest transmission capacity, the longest distance, and the most advanced technology in the world. We completed the construction of the world's highest operational voltage AC transmission project. We were the first in the world to propose a series of smart substation technical standards. We established the world's first Zhangbei Scenery Storage and Transportation Demonstration Project, integrating wind power, photovoltaic power generation, energy storage systems, and smart power transmission. We also completed the world's highest voltage level and largest transmission capacity Zhangbei Flexible DC Power Grid project. The world's first 220 kV Unified Power Flow Controller based on modular multi-level converter technology, as well as the world's first all-indoor compact 220 kV Unified Power Flow Controller, have been put into operation in Nanjing and Shanghai, respectively. We built and put into operation the world's highest voltage level and largest capacity 500 kV Unified Power Flow Controller Demonstration Project in Jiangsu Province. We have developed Suzhou as an international model city for energy reform, integrating 15 innovative energy demonstration projects, including multi-energy complementary utilisation, high-temperature phase-change solar-thermal power generation, prefabricated warehouse energy storage systems, microgrid routers, DC distribution ring networks, and a three-in-one electronic highway project. A series of globally influential technological demonstration projects have been successfully put into operation, marking that we have mastered core technologies in the fields of UHV AC/DC transmission, clean energy grid integration, flexible AC/DC transmission, large power grid security, and comprehensive energy utilisation.

China became a permanent member of the International Electrotechnical Commission ("**IEC**") in 2011. Since 2008, we have represented China in initiating and establishing eight technology committees in IEC in various fields including the high voltage DC transmission technology, high voltage AC transmission technology, the grid integration of renewable energy, distributed power energy system, interconnected power system and power robot. We served as secretariats for eight technology committees under the IEC and act as Chairman of one of them. We led the preparation and publishing of the Large Capacity Renewable Energy Grid Connection and Large Capacity Energy Reserve Grid Connection and the Ubiquitous Sensor Network for the Internet of Things white papers issued by the Market Strategy Board of IEC and participated in the preparation of several other white papers including the Face the Energy Challenge 2010-2030 and Electric Power Storage.

In 2016, we initiated the establishment of the Global Energy Internet Development Cooperation Organization to complete preliminary assessments of wind energy and solar energy resources in all continents of the world and map the wiring diagrams of the five continents backbone networks, carry out interconnection research on Northeast Asia, Southeast Asia, South Asia, Asia-Europe and Africa and the Americas, and establish a global cross-border transcontinental networking project library. We

published research products such as the White Paper on Global Energy Internet backbone network, Global Energy Internet Development Index, Global Energy Internet Technology Equipment Innovation Action Outline and Research on Global Energy Internet Technology Standard System. In 2024, efforts were made to establish an international group standard-setting mechanism for the Global Energy Interconnection (GEI). Additionally, a China-Uzbekistan Power Standards Cooperation Action Plan was signed.

Since the establishment of the Company, we have resolutely implemented the National Innovation-Driven Development Strategy, achieving remarkable results in technological innovation. The Company has cumulatively received 96 National Science and Technology Progress Awards (including two Grand Prize and nine First Prizes), 172 China Patent Prizes (including 12 Gold Prizes and 11 Silver Prizes) and 32 Standard Innovation Contribution Prizes (including 11 First Prizes). We had a total of 115,625 valid patents and 5,387 patents in the field of UHV technology.

The Company's prominent technological advantages are as follows:

- made significant breakthroughs in UHV transmission technology, securing a leading position in global power grid technology;
- achieved world-leading status in the safety and stability control of large power grids;
- made significant progress in research on renewable energy grid integration technology;
- successfully mastered core technical challenges for smart substations;
- achieved major breakthroughs in high-power electric power electronics, advancing flexible DC transmission technology to a globally leading level;
- made substantial progress in intelligent electricity usage technologies; and
- established the world's largest enterprise information management system.

INTERNAL CONTROLS AND FINANCIAL POLICY

We attach great importance to internal control and comprehensive risk management. In accordance with regulatory requirements, integrating the reality of our operation, we have strengthened the "three lines of defences" principle of risk management at all levels, continuously innovate the management model, change the organizational structure, optimize the business process and compress the management level. We have achieved a flattened organizational structure, consolidated key resources, professionalized core business functions, and normalized risk management practices. We have built an internal control and comprehensive risk management system with comprehensive integration of risk management, standardized process, rules and regulations, authorization management, internal control evaluation and information systems at different levels, which contributes to the implementation of our strategy and our continued development.

Organizational Structure – We continue to improve our corporate governance structure and optimise the risk control and management structure. At the board level, we set up an audit and risk management committee (the "**Board Committee**"), under the guidance of the SASAC and reporting to the Board of Directors, to fully assume the responsibility for the Board's day-to-day supervisory duties. It primarily responsible for examining the enterprise's compliance with applicable laws, regulations, and rules; guiding the development of systems for risk management, internal control, compliance management, and accountability for violations in operations and investment activities; and evaluating the effectiveness of these systems. Additional responsibilities include inspecting the enterprise's financial affairs, reviewing financial reports, deliberating on proposals for changes to accounting policies and estimates, and providing recommendations to the Board of Directors regarding major corporate decisions. At the operational level, we set up a general risk management committee (internal control committee), which is responsible for the comprehensive implementation of policy requirements by relevant national ministries and commissions and our board of directors on our risk management and internal control policies. The committee also coordinates the construction of our comprehensive risk management and internal control, strengthen risk and internal control team building. This includes organising annual risk assessments and internal control supervision and evaluation, with reports submitted to the Company's Audit and Risk Management Committee and the Board of Directors. At the level of functional departments, we have integrated internal control requirements into daily management and operational processes, established and improved the "three lines of defences" principle of comprehensive risk management to carry out risk and internal management from the aspects including business management, risk management standards and supervision.

- **Internal environment** – We have established a comprehensive strategic system, strengthened human resource management, actively implemented social responsibility, standardized high-quality services, improved our brand value, strengthened corporate culture and created a robust foundational environment for internal control operations.

- **Risk assessment** – In accordance with Enterprise Internal Control Basic Regulations, we have established a risk categorization system covering all of our businesses fields. We have also refined our risk control standards and standardized risk management terminology and continuously carried out our evaluation mechanisms. We have devised risk management plans, enhanced the risk warning system of key fields and significant risks and consolidated the baseline of eradicating systematic risk to safeguard the sustainable development of our business.

- **Activities control** – We have integrated our use of management and control measures such as separation of conflicting roles, establishment of an authorization management system, and application of performance evaluation results. We have implemented lean management requirements of the Digital and Intelligent Treasury System to strictly prevent fund security risks, promoted centralized procurement, enhanced service quality, increased investment in scientific and technological research, strengthened full-process management of construction projects, deepened comprehensive budget management, unified contract management, and maintained compliance and order in overall operational management.

- **Information and communication** – We have integrated our internal control system, embedded management rules into operations and implemented strict controls, applied the achievement of multi-dimensional and lean management construction, established financial report review and information disclosure mechanisms and ensured the timely communication of information, the truthfulness of reported information and the safety of information systems. We consolidate the data middle-ground, big data application, cloud computation, AI and other technologies to establish and regularly implement various operational platforms such as those for safety management and financial management, embedding internal control requirements into information systems. This ensures that safety management penetrates every plan, team, personnel, and worksite, while financial management extends to every transaction, voucher, rule, and property right, advancing the upgrade of data application function and realizing business data centralized procession and intelligent application.

- **Internal oversight** – We have implemented solid daily supervision, focused on specialized supervision on key fields and key steps, fully used the consolidated prevention and control function of the internal evaluation, audit, compliance and checks to ensure the rationality, completeness and effectiveness of our internal oversight. We have implemented prudent financial policies to strictly control investment risk, overseas risk and financial risk and debt, liquidity ratios and other indicators have been stable for a long time.

- **Comprehensive Budgeting Management** – We strengthen operation-oriented awareness by enhancing full-scope budget constraints, refining operational assessment mechanisms, dynamically optimizing business strategies, and improving performance evaluation systems to continually boost operational efficiency. We emphasize value creation by sticking to efficient resource management and precise regulation, strengthening the alignment between resource input and business enhancement. We vigorously assess the value contribution of the smallest operational units by focusing on enhancing core functionalities and improving core competitiveness. We advance lean management by intensifying our efforts to promote quality and efficiency improvements through multi-dimensional lean practices. This includes strengthening project lifecycle controls, enforcing strict investment management protocols, rationally determining the scale and timing of investments, and improving investment capacity management to ensure alignment between investments and returns. We proactively implement the mixed-ownership reform, facilitates capital open-up and sets up market-oriented, multi-channels and sustainable capital supplement mechanism. It deepens reforms to delegate power, improves management and provides better services, completes market-oriented operating mechanism and promotes initiation, proactiveness and creativity across departments at all levels.

- **Cash flow management** – We have established a standardized, safe, and efficient cash flow management and control system to comprehensively cover all of our economic business. We have also developed a management system which scientifically forecasts the timing of cash inflows and strategically plans the timing of cash outflows, dynamically optimizes cash receipts and expenditures budgets, effectively monitors the execution of cash receipts and expenditures and realizes accurate cash flow management to ensure the maximum value of cash flow and continuously increase our vitality and competitiveness.

- **Centralized capital management** – We have accelerated the application of digital and intelligent treasury systems, aligning operational development needs with debt boundary management, and focusing on strengthening "three key controls" (interest-bearing debt, financing costs and fund security). We have strived to achieve "four areas of enhancement" (globalisation of fund allocation, lean fund supply, professional fund pricing and intelligent fund security), thereby comprehensively improving financial support capabilities, operational efficiency and security levels. We also have implemented collection and payment settlement pools, promoted lean management of current capital and developed and deployed real-time capital monitoring systems to improve capital security control capabilities.

- **Unified financing management** – We have strengthened the unified management to loans and bonds issued by domestic commercial banks, maintained adequate bank credit balances, and actively sought concessional loans. We have also taken advantage of our strong credit to benefit from domestic and overseas capital markets, optimized our internal and external capital movement platform, advanced the centralized management of increased capital and elevated the capital operation income and comprehensive capability within the capital market.

- **Foreign exchange and interest rate management** – We have strengthened capital market internal and external research and judgment, implemented a sound financing strategy, used system, process, supervision and other methods to closely follow the changes of exchange rates and interest rates,

formulated risk emergency response plans and enhanced measures to mitigate exchange rate and interest rate risks. We have also adopted foreign currency hedging measures to effectively prevent exchange rate risks.

COMPETITION

In accordance with PRC law, power grid companies in China operate transmission and distribution business in their respective operating territories, and purchase power from power generation companies and sell electricity to customers at on-grid tariffs and electricity sale prices, respectively, which are set by the government. Therefore, the operating territories of different power grid companies generally do not overlap, and they typically do not compete directly with one another.

The PRC government is steadily carrying out market-based electricity market reform under the framework of "controlling the midstream while liberalizing both upstream and downstream segments, meaning more of market-driven pricing in power generation and sale of electricity while maintaining government control on transmission and distribution tariffs. It allows qualified private capital to invest and incorporate electricity sales companies to engage in electricity sales business. The government encourages private investors to participate in incremental distribution grid business and provide power supply services and has issued Administrative Measures on the Admittance and Exit of Power Sale Companies (售電公司准入與退出管理辦法) and the Administrative Measures on the Progressive Opening of Power Distribution Grid Business (有序放開配電網業務管理辦法(發改經體[2016]2120號)) to regulate such participation. These two measures were effective as of October 8, 2016 with an effectiveness period of three years. In 2021, the revised Administrative Measures for Electricity Retail Companies were issued to further enhance and standardise the management of the electricity retail sector. In 2024, the Measures for the Implementation of Delineation of Distribution Areas for Incremental Distribution Business (增量配電業務配電區域劃分實施辦法) were introduced to further advance the reform of incremental distribution businesses, promote the development of distribution network construction, and improve the operational efficiency of distribution networks.

Power sale companies will enter into transactions directly with power generation companies on behalf of medium and small customers, and share with such customers any concession on the prices of electricity derived from such direct transactions to realize a profit. The business model of such companies is similar to that of large customers that directly negotiate electricity sales with power generation companies. Power grid companies will provide a range of electricity provision services including installation, calculation, recording, charging and maintenance to electricity sales companies and their customers without discrimination, and fulfil their obligations as service providers with fixed prices. Overall, the electricity sales business engaged by the electricity sales companies does not compete directly with the electricity transmission and distribution business of power grid companies.

Since November 2016 and as of December 2020, the NDRC and the NEA have carried out 483 incremental power distribution reform pilots nationwide in five batches. In March 2018, the Implementation Measures for the Zoning of Distribution Areas for Incremental Distribution Business (Trial)(增量配電業務配電區域劃分實施辦法(發改能源規[2018]424號)) was issued to clarify the principles of distribution area division, standardized the procedures for application processing and changed management and other requirements. In January 2019, the NDRC issued the Notice on Further Promoting the Reform of Incremental Distribution Business (關於進一步推進增量配電業務改革的通知(發改經體[2019]27號)), which further clarified the scope of incremental stocks, strengthened planning work, regulated investment and operation-related matters and emphasized that the settlement electricity prices between the incremental distribution network and the provincial power grid shall be implemented according to the current transmission and distribution price of the corresponding voltage level of the provincial power grid. In September 2019, the NDRC issued the Notice on the Cancellation of Incremental Distribution Business Reform Pilots in Certain Regions (關於取消部分地區增量配電業務改革試點的通知(發改辦體改[2019]948號), disqualified 24 incremental power distribution business reform pilot projects. In August 2020, the NDRC issued the Notice on Carrying out the Fifth Batch of

Pilot Reform of Incremental Distribution Business(關於開展第五批增量配電業務改革試點的通知(發改運行[2020]1310號)), announced the fifth batch of 79 pilot reform of incremental distribution business, made it clear that it would improve the in-process and post event evaluation and establish a dynamic adjustment mechanism, and organize a comprehensive evaluation of the first four batches of pilot projects by means of third-party evaluation and self-evaluation, timely summarize and promote good experiences and practices in various places, adjust and withdraw from projects that are no longer suitable for continuing pilot projects. In March 2024, the NDRC issued the Notice on the Issuance of the Implementation Measures for the Zoning of Distribution Areas for Incremental Distribution Business(增量配電業務區域劃分試試辦法), continued to regulate the zoning of distribution areas for incremental distribution business and promote the reform of incremental power distribution.

We are of the view that such arrangements where private investors invest in, build and operate incremental distribution business, receive reasonable return based on distribution tariffs approved by provincial pricing authorities and perform the duties such as providing safe and reliable power supply, minimum power supply and universal social services conform with market economy principles of "pairing investment with return and rights with liabilities". Grid enterprises provide open access and connection services to project owners without discrimination based on applicable regulations regarding grid connection administration and operational safety requirements and receive transmission and distribution income according to the transmission and distribution tariffs for shared provincial grid applicable to the voltage level of the incremental distribution grid connection. In addition, the NDRC encourages grid enterprises to set up companies of mixed ownership with private investors through methods such as equity cooperation to operate incremental distribution grids. Overall, we are of the view that the opening up of incremental distribution business is conducive to promoting fair and open competition and enhancing investment efficiency and service capability. As such business is limited in scale, we are of the view that its impact on the overall transmission and distribution business structure of grid enterprises is insignificant.

We compete with other companies in the manufacturing of electric and electrotechnical equipment and overseas business, which account for a relatively small portion of our overall business portfolio.

PROCUREMENT

In addition to the purchase of power from power generation companies, we purchase certain equipment and materials from producers. The top five types of equipment and materials we purchased in 2024 in terms of costs were transmission towers and poles, power cables, wires, AC transformers and combined electrical appliances. We have established a centralized procurement system and used the procurement management e-commerce platform to achieve full-supply-chain, whole-process electronic operation, supervision and record keeping. Most of our procurement activities are directly organized and implemented either by the Company headquarters or by provincial companies and directly affiliated units.

We have established a procurement standards system. In addition, 28 supplier service centers have been set up to handle application, consultation, contract signing, settlement and other business related to suppliers on the spot or remotely, and to monitor the development of various businesses in material sector through the supply chain public service platform (ESS) in real time to ensure the safe and efficient operation of the company's supply chain system. We evaluate suppliers on the basis of qualification, performance, product quality, delivery schedule and integrity, as well as other factors including human resource, production equipment, environmental protection and energy efficiency.

EMPLOYEES

As of December 31, 2024, we had approximately 1,405,600 employees. All of our staff are under employment contracts, which specify the employee's position, responsibilities, remuneration and grounds for termination. Short-term employment contracts generally last from one to five years. Subject to mutual consent, the parties can renew the contract at maturity. We embrace fair employment to eliminate discrimination based on gender, age, health, race and religious beliefs.

We take full advantage of the resources we possessed and provided by other training resources. We develop career competence models and training specifications for all personnel, providing our employees with training, slides, cases, question bank and other study materials in the fields of various professional skills and safety, legal, environmental management, corporate social responsibility, foreign languages and other areas. Employees complete relevant training in accordance with the different requirements of their professional and managerial positions. We prioritize our employees and facilitate their growth and development. In 2024, we provided employees with various types of full-time technical training, totalling 3.14 million sessions and amounting to 12.34 million person-days. Our employee training rate has reached 97.37 per cent.

We provide our employees with welfare and benefits in line with national standards and the actual conditions of the position, ensuring that remuneration is not less than the average of similar enterprises and positions, with equal pay for men and women. We participate in the local government pension scheme in accordance with the law, paying into pensions, medical, work injury, maternity, unemployment and other social insurance, as well as housing funds.

We care for our staff in the following ways:

- Adopting fair employment principles. We enter into collective agreements following fair negotiations with the labor union, and employment contracts were signed with every employee. We ensure equal pay for equal work, regardless of gender.

- Protecting the rights and interests of female employees. We carried out targeted surveys for female employees, arranging special medical examinations and guaranteeing maternity leave and breastfeeding leave.

- Helping employees in need. We built a total of 2,808 employee appeal service centers and 10,165 appeal service points and resolved 51,000 urgent, difficult and distressing issues.

- Ensure work safety. We raised work safety awareness by educating "Ten Prohibitions" on production sites, and formulated guidelines for the evaluation of occupational hazards and control effects of power transmission and transformation projects.

As of December 31, 2024, we had not experienced any strikes, work stoppages, labor disputes or actions which materially and adversely affected the operation of any of our respective businesses. We believe that we maintain good relationships with our employees in all material respects.

HEALTH AND SAFETY

We attach great importance to the safety and health of our employees. We have established a production safety responsibility system, continuously conducted safety education and training for employees, configured safety work tools and labor protection supplies for employees, making efforts to create a standardized, clear and safe operation environment to prevent injuries and accidents to employees in the workplace. During the three years ended December 31, 2024, no major accidents causing personal injury, as defined by Chinese law, occurred. We organize annual medical check-ups for employees.

SOCIAL RESPONSIBILITY

Strategies and Goals

We have embraced the new stage of development, adhered to innovative development principles, supported the emerging development landscape, earnestly fulfilled our social responsibilities, upheld the principle of "electricity for the people," and actively contributed to driving high-quality development. We have carried out a series of social responsibility explorations and practices, including providing stable, safe, and reliable energy supply; promoting high-quality power grid development; adhering to the concept of green development to achieve the goal of "Carbon Peak and Neutrality"; advancing the transition to clean and low-carbon energy; deepening reforms to improve quality and efficiency; treating every stakeholder responsibly; serving the high-quality construction of the "Belt and Road"; operating transparently, and accepting social supervision, etc.

Social Responsibility Information Disclosure

We place significant emphasis on corporate social responsibility ("**CSR**"), embedding its principles into our strategies and daily operations to seamlessly integrate social responsibility with corporate production and activities. We have increased the frequency and intensity of disclosure on corporate social responsibility via various company reports, white papers, guides, local responsibilities practices, cases and dynamic information published on the official website Publish.

We published our first CSR report in 2006, which has become an important symbol of China's corporate social responsibility. Since then, we have taken the lead in releasing a social responsibility report for 20 consecutive years, strengthening the disclosure of social responsibility information and fully demonstrating the exemplary image of a responsible state-owned enterprise. In 2024, the Company released a total of 556 social responsibility reports of various kinds. In addition to releasing the annual CSR Report, the Company also released special social responsibility reports such as the "New Energy Development Report" and "Biodiversity Protection Report", etc., as well as releasing country reports on corporate social responsibility in Brazil and Chile. All six of the company's listed subsidiaries have released Environmental, Social, and Governance (ESG) reports. Additionally, the company's affiliated units have collectively issued 543 reports detailing their fulfilment of responsibilities in supporting local economic and social development.

Continue to pursue the goal of reaching the "Carbon Peak and Neutrality"

We have released and implemented the first carbon peak and carbon neutral action plan for a domestic enterprise, as well as the action plan of building a new power system. We plan to comprehensively strengthen the construction of power grids at all levels, encourage investment in pumped storage, build the world's largest "new energy cloud" platform, and strive to be the promoter, leader and pioneer in the clean and low-carbon energy transformation. As of 2024, we have put into operation 44,000 kilometers of lines of 110 kV and above, with the power transformation and conversion capacity reaching 320 million kVA. We continued to enhance the grid's capacity to integrate and absorb renewable energy. In 2024, newly installed wind and solar capacity reached 267 million kilowatts, reflecting a year-on-year increase of 16.5 per cent. The total installed capacity rose to 1.138 billion kilowatts, accounting for 43.3 per cent. of the total, with the highest proportion of new energy power generation reaching 52.7 per cent. and a utilisation rate of 96.1 per cent. To support the construction of new energy bases in desert, Gobi, and arid regions, a total of 106 million kilowatts from three batches of large-scale base projects within the operational area were successfully connected to the grid. Furthermore, four pumped-storage power stations were launched, with 23 pumped-storage units completed and operational. The operating installed pumped-storage capacity saw a net increase of 7.28 million kilowatts, reaching a total of 40.56 million kilowatts. The Company actively expanded the scope and depth of electricity substitution and vigorously promoted integrated energy services. Energy efficiency diagnostics were completed for 25,000 public institutions and 10,000 industrial enterprises. Targeted measures were implemented to carry out specialised electricity conservation initiatives, alongside extensive campaigns to advocate electricity saving and smart energy usage. The Company

promoted vehicle-to-grid (V2G) integration and interaction by completing over 1,500 V2G charging piles in pilot programmes across 20 provinces and cities. The coverage rates of charging stations (piles) at the county and township levels reached 98 per cent. and 81 per cent., respectively. We also protects the ecological environment, promotes the construction of the power grid with ecological and environmental protection concepts, completes a comprehensive self-examination and assessment of its ecological and environmental protection work and special management improvement tasks with high quality, and publishes the Environmental Protection Report of State Grid Corporation of China (2021-2022) for the first time. We continue biodiversity conservation efforts, launching initiatives such as the "Migratory Bird Lifeline" and "Life Bird Nest" public welfare projects. We have published the Biodiversity Management and Value Creation Series.

The Company is accelerating the development of new energy storage, electric vehicle services, and energy conservation and environmental protection businesses. Aligned with the needs of national economic development and based on the functional positioning of power grids, it is actively advancing the green and low-carbon energy transition. The Company is fully leveraging the power grid's role as a "bridge" and "link" to support the rapid development of new energy vehicles, continuing to expand the high-speed charging network along highways, and promoting the electrification of energy consumption. These efforts aim to help the energy and electricity sectors achieve the "dual carbon" goals at an early date. The Company is also actively engaging in forward-looking future industries while striving to strengthen and optimise the value chains of its industrial network.

Responsible international operations

We shall uphold the concept of sustainable development and adhere to market-oriented, long-term and localized operations. We have achieved fruitful results in power grid connectivity, overseas investment and operation, international cooperation on production capacity, and international standard-setting. Currently, we have successfully invested and operated 13 core energy grids in 10 countries and regions, including the Philippines, Brazil, Portugal, Australia, Italy, Greece, Oman, Chile, Pakistan and Hong Kong. All the projects have maintained stable operation and are profitable, significantly enhancing the operational standards of power grids and the reliability of electricity supply there. These efforts have provided strong momentum for local economic and social development, fostering mutual cooperation ad win-win outcomes.

We operate our overseas companies in a responsible manner and actively promote international cultural exchange and integration, and play an important role in bringing people closer together. In 2024, with the support of the Company, the youth symphony orchestra from Rio de Janeiro's Maré favela successfully completed a cultural exchange programme in China. The "Tea Connection: China-Brazil Friendship Garden" project at the Rio Botanical Garden and the Oman Seawater Desalination Project were officially handed over. State Grid Brazil Holding (SGBH) was awarded the "Outstanding Contribution Award" commemorating the 50th anniversary of diplomatic relations between China and Brazil. The environmental project of Chile's Chiquinta Company was selected as one of the "Top Ten Outstanding Showcases" for the 16th Meeting of the Conference of the Parties to the UN Convention on Biological Diversity (COP16) in 2024. Oman Electricity Transmission Company (OETC) received the "Oman Gold Award for Sustainable Development." Pakistan's Matiari-Lahore HVDC Transmission Company was honoured with Pakistan's "Environmental Excellence Award" and the "2024 Corporate Social Responsibility Award." Additionally, the Phase I Off-Grid Solar Energy Project in Ethiopia, constructed by the Company, earned the "Best Practice Award for Small Yet Beautiful International Energy Cooperation."

Operate with transparency and accept social supervision.

We adhere to the concept of business transparency, constantly strengthen our information disclosure, consciously accept the supervision of the government and social supervision, and ensure that major decisions are made in a transparent and public manner. We normalize communication with our stakeholders and actively encourage stakeholders to cooperate with us, in order to develop a mutually beneficial partnership.

To strengthen information disclosure, we published 36,854 external-facing articles, with a total of 320 million views and 8,037.8 thousand followers. The Company's website is expected to receive 30.12 million annual visits. Additionally, the Company organized 989 press releases throughout the year.

To engage in responsible communication, we organize annual stakeholder communication events such as "Public Open Day", "Visiting State Grid" and "Visiting Big Customer". These initiatives aim to demonstrate the contributions of each subsidiary or branch of the Group in serving local economic and social development, listen to the demands of stakeholders, respond to social concerns and expectations in all aspects, and strive to improve the level of work and service and continuously optimize the business environment. In 2024, the Company plans to host over 55,000 stakeholder communication events with over 1.4 million public participants. Additionally, various subsidiary or branch conducted 768 public welfare and environmental awareness activities, involving over 52,000 participants.

We accept public supervision. We respond to the social supervision and suggestions on the Company's business, and further strengthen our trade practices. Relying on the "95598" business coverage of the customer service center, we accept the complaints and reports from the public, and do quick investigation and timely handling of the incidents with strong customer response and frequent complaints.

Honors and Awards for CSR Activities

As of December 31, 2024, we received numerous honors and awards for our CSR activities, which include:

- The Company was recognized as an enterprise with outstanding overall performance under the "Sci-Tech Reform Action" and "Double-Hundred Action" Initiatives for central state-owned enterprises.
- The Company was rated as A-level in the assessment of key tasks for the Central State-owned Enterprises Reform Deepening and Enhancement Initiative.
- The Company was recognized as first place with an A grade in the benchmarking or procurement and supply chain management by the SASAC.
- The Company was named among the "Outstanding Enterprises in Technological Innovation of Central State-owned Enterprises".
- The Company received the 2024 World Internet Conference Outstanding Contribution Award.
- 5 projects of the Company received the 2023 National Science and Technological Innovation of central state-owned enterprises.
- 88 achievements of the Company were honoured with the 2024 Electric Power Science and Technology Award.
- 24 individuals from the company were recognized with the 2024 Electric Power Technology Person of the Year Award.

- 5 teams from the Company were recognized as Model Organisations in National Lei Feng Spirit Activity, and 1 employee was named a National Lei Feng Role Model in the Workplace.

- 49 collective groups were awarded as Advanced Collectives of Central Enterprises, and 83 individuals were honoured as Labour Models of central state-owned enterprises.

- 4 employees of the Company were awarded the accolade of National March 8th Red Banner Holder, and 1 organization was recognized as a National March 8th Red Banner Collective.

- 10 subsidiaries of the Company were awarded the National May 1st Labour Certificate, 25 individuals received the National May 1st Labour Medal, and 28 teams were recognized with the National Worker Pioneer Title.

- 29 achievements of the Company were recognized in the 30th National Enterprise Management Modernisation Innovation Awards.

- The Enshi Power Supply Company under State Grid Hubei Electric Power Co., Ltd., and the Turpan Power Supply Company under State Grid Xinjiang Electric Power Co., Ltd., were recognized as National Model Collectives for Ethnic Unity and Progress.

INSURANCE

We strive to maintain a comprehensive insurance coverage, relying on resource coordination, integrated operations, market orientation, and standardized implementation to cover our grid assets, projects, liabilities, and employees. Our main insurance categories include property all risks insurance, machinery damage insurance, safety construction all risks insurance, power supply responsibility insurance, public responsibility insurance, safety production responsibility insurance, and personal accident insurance. Specifically, property all risks insurance primarily covers direct physical loss or damage to power grid assets due to natural disasters or accidents. Machinery damage insurance mainly covers against losses from damage to our equipment due to grid equipment design, manufacturing or installation errors, casting and raw material defects, operational errors, overloading and overvoltage. Safety construction all risks insurance mainly covers all damage and loss of project assets caused by natural disaster or accidents. Power supply liability insurance primarily covers third-party personal injury or property damage caused by incidents such as disconnections, short circuits, misconnections, or voltage irregularities. Public responsibility insurance mainly covers third-party personal casualties or property damage caused by accidents which happen on grid operation sites. Safety production responsibility insurance mainly covers employee injuries or fatalities, as well as third-party injuries, fatalities, or property damage caused by accidents during grid production and operations. Personal accident insurance mainly covers employees' personal casualties caused by accidents.

For information on the types of risks relating to the insurance coverage of the Company, please refer to the section "Risk Factors – Our Business and Industry Risks – Our business involves various risks, some of which are beyond our control, and we may not have sufficient insurance to cover our economic losses."

PROPERTIES

We hold certain ownership of properties and land use rights for our business operations. The land is mainly used for power transmission towers along grid corridors, substations, and office buildings. Historically, as a state-owned enterprise, the land use rights to a substantial portion of the land and property we occupy were obtained through allocation or grant by the PRC government in accordance with the relevant PRC laws and regulations. Currently, all land use rights for our power grid construction are acquired through allocation or grant from the state in compliance with applicable regulations.

LEGAL PROCEEDINGS

We are involved in certain legal proceedings concerning matters arising from our ordinary course of business. We believe, based on available information as of the date of this Offering Circular, that these proceedings, individually or in the aggregate, will not have a material adverse effect on our business, financial condition or results of operations.

MANAGEMENT OF THE COMPANY

GENERAL

We are a wholly state-owned enterprise incorporated in accordance with the Company Law of the PRC, with independent legal personality. SASAC performs the duties of the investor. We have established a corporate governance structure comprising the board of directors and the senior management:

- our board of directors comprises nine directors, including four internal directors (including one employee director) and five external directors (with one position currently vacant); and

- our senior management comprises nine members, including one Chairman, one General Manager, one Deputy Secretary of the Party Group, one Chief Accountant, four Deputy General Managers, and one Head of the Discipline Inspection and Supervision Team stationed at the Company by the Central Commission for Discipline Inspection and the National Supervisory Commission (CCDI-NSC).

DIRECTORS

The business address of our directors is at No. 86, Xichangan Avenue, Beijing 100031, People's Republic of China. There are no potential conflicts of interest between any duties of our directors to the Company, and their private interests and/or other duties. The table below sets forth information regarding our Directors.

Name	Age	Title
Mr. Zhang Zhigang	60	Chairman and Secretary of the Party Group
Mr. Pang Xiaogang	52	Director, General Manager and Deputy Secretary of the Party Group
Mr. Shao Guoyong	58	Director and Deputy Secretary of the Party Group
Mr. Shang Bing	69	External Director
Mr. Wu Xiaogen	58	External Director
Mr. Hu Aimin.	64	External Director
Mr. Fan Xiaxia	62	External Director
Mr. Li Kai	57	Employee Director and Secretary of the Labour Union

Mr. Zhang Zhigang: Mr. Zhang has a master's degree. He is the Chairman and Secretary of the Party Group of the Company. Mr. Zhang used to be the Deputy Director of the National Electric Power Dispatching and Communication Center of State Power Corporation; the Deputy Director, Director and Deputy Secretary of the Party Committee of the National Electric Power Dispatching and Communication Center at State Grid Corporation of China; the Director and Deputy Secretary of the Party Committee at the National Electric Power Dispatching Control Center; the Assistant General Manager, Deputy General Manager and a Member of the Party Group of the State Grid Corporation of China; the Director, General Manager and Deputy Secretary of the Party Group of the State Grid Corporation of China, etc.

Mr. Pang Xiaogang: Mr. Pang has a master's degree. He is the Director, General Manager and Deputy Secretary of the Party Group of the Company. Mr. Pang used to be the Deputy Director of the Administration Department (General Office) at China Southern Power Grid Corporation Limited; the

Director and a Member of the Party Group at Yunnan Grid Company, concurrently the Director and Deputy Secretary of the Party Committee at Kunming Power Supply Bureau; the Director of the International Department and Deputy Director of the Administration Department (General Office) at China Southern Grid Corporation Limited; the Director, General Manager and Deputy Secretary of the Party Committee at Shenzhen Power Supply Bureau Co., Ltd.; the Director of the Board, General Manager and Deputy Secretary of the Party Committee at Guangdong Grid Company; the Director of the Board work Department (Party Committee Office, Board Office), Secretary of the Party Group and Secretary of the Board at China Southern Grid Corporation Limited; the Deputy General Manager and a Member of the Party Group at State Grid Corporation of China; and the Director and Deputy Secretary of the Party Group at State Grid Corporation of China, etc.

Mr. Shao Guoyong: Mr. Shao has a master's degree. He is the Director and Deputy Secretary of the Party Group of the Company. Mr. Shao used to serve as the Director of the Funds Settlement Center of the Finance and Property Rights Department at China Guodian Corporation; the Chairman, General Manager and a Member of the Party Committee of Guodian Finance Company Limited; the General Manager and Deputy Party Secretary of Guodian Capital Holdings Limited; the Chairman of Ruich Life Insurance Company Limited; the General Manager of Yangtze Property Insurance Company Limited; the Director of the Financial Management Department of China Guodian Corporation; the Chief Accountant, a Member of the Party Group and Deputy General Manager of China Huadian Corporation Limited.

Mr. Shang Bing: Mr. Shang is an External Director of the Company. He used to be the Deputy General Manager and General Manager of Liaoning Economic and Technological Development Company; the Executive Deputy General Manager and General Manager of China Unicom Liaoning Branch; the Deputy General Manager, Director and General Manager of China Unicom; the Deputy Manager of China Telecom; the Deputy Minister of the Ministry of Industry and Information Technology; the Deputy Director of the Cyberspace Administration of China; and the Chairman of the Board and Secretary of Party Group at China Mobile.

Mr. Wu Xiaogen: Mr. Wu is a full-time External Director of Central State-owned Enterprises. He used to be the Assistant General Manager and Deputy General Manager of Securities Business Department of China Golden Valley International Trust and Investment Co., Ltd.; the Deputy General Manager of Securities Management Headquarters and concurrently General Manager of Institutional Management Department at China Science and Technology International Trust and Investment Company; the Director of Auditing and Research Office of Accounting School at Central University of Finance and Economics; the Central Finance and Economics Associate Dean of College of Accounting at Central University of Finance and Economics; the Chief Accountant of China No. 1 Heavy Machinery Group Corporation.

Mr. Hu Aimin: Mr. Hu is an External Director of the Company. He used to be the Director and concurrently the Secretary of the Party Committee of the 26th Research Institute; the Deputy General Manager and a Member of the Party Group of China Electronics Technology Group Corporation; and the Director and Deputy Secretary of the Party Group of the China Electronics Technology Group Co., Ltd.

Mr. Fan Xiaxia: Mr. Fan serves as an External Director of the Company. He has held positions as the Secretary of the Party Group and Deputy General Manager of Huaneng Power International, Inc.; a Member of the Party Group and Deputy General Manager of China Huaneng Group; and a Member of the Party Committee and Deputy General Manager of China Three Gorges Corporation.

Mr. Li Kai: Mr. Li has a bachelor's degree. He is the Employee Director and Chairman of the Labour Union of the Company. Mr. Li used to be the Deputy Director of the Personnel Board, Director of the Ideological and Political Work Department, Director of the External Liaison Department (Brand Construction Center), Director of the Party Group Propaganda Department (External Liaison Department), Director of the Policy Research Office, and Chief Political Engineer concurrently serving as the Director of the Policy Research Office, etc.

SENIOR MANAGEMENT

Name	Age	Title
Mr. Zhang Zhigang	60	Chairman and Secretary of the Party Group
Mr. Pang Xiaogang	52	Director, General Manager and Deputy Secretary of the Party Group
Mr. Shao Guoyong	58	Director and Deputy Secretary of the Party Group
Mr. Huang De'an	62	Head of the Discipline Inspection and Supervision Team stationed at the Company by the Central Commission for Discipline Inspection and the National Supervisory Commission (CCDI-NSC) and Member of the Party Group
Mr. Chen Xi.	52	Chief Accountant and Member of the Party Group
Mr. Chen Guoping.	60	Deputy General Manager and Member of the Party Group
Mr. Pan Jingdong	57	Deputy General Manager and Member of the Party Group
Mr. Ji Mingbin	51	Deputy General Manager and Member of the Party Group
Mr. Wang Zhiwei	54	Deputy General Manager and Member of the Party Group

Mr. Zhang Zhigang: Please refer to "Management of the Company – Directors" for the CV of Mr. Zhang Zhigang.

Mr. Pang Xiaogang: Please refer to "Management of the Company – Directors" for the CV of Mr. Pang Xiaogang.

Mr. Shao Guoyong: Please refer to "Management of the Company – Directors" for the CV of Mr. Shao Guoyong.

Mr. Huang De'an: Mr. Huang has a master's degree. He is the Head of the Discipline Inspection and Supervision Team stationed at the Company by the Central Commission for Discipline Inspection and the National Supervisory Commission (CCDI-NSC) and a Member of the Party Group of the Company. Mr. Huang used to serve as the Chief Procurator and a Third-level Procurator of the People's Procuratorate of Sanming City in Fujian Province; the Deputy General Procurator, a member of Procuratorial Committee, a member of the Party Committee and the Second-level Senior Prosecutor of the People's Procuratorate of Fujian Province; the Deputy Secretary of Fujian Provincial Discipline Inspection Commission, etc.

Mr. Chen Xi: Mr. Chen has a master's degree. He is the Chief Accountant and a Member of the Party Committee of the Company. Mr. Chen previously served as Deputy Director and later Director of the Tuas Power Office at Huaneng Power International Inc.; the Manager of Budget Department at Huaneng Power International Inc.; the General Manager and Deputy Secretary of the Party Committee of China Huaneng Group Hong Kong Limited; and the Chief Accountant and a Member of the Party Group at State Power Investment Corporation Limited, etc.

Mr. Chen Guoping: Mr. Chen has a doctor's degree and is a professor-level senior engineer. He is the Deputy General Manager and a Member of the Party Group of the Company. Mr. Chen used to serve as the Deputy Director of the International Energy Cooperation Office of the Company; the Deputy Director of the State Power Dispatching and Communication Center; the Deputy General Manager and a Member of the Party Group of State Grid Operations Co., Ltd.; the Deputy Director of the International

Cooperation Department of the Company; the Director, Secretary of the Party Group and Deputy General Manager of State Grid International Development Co., Ltd.; the Secretary of the Party Committee and Deputy Director of the State Power Dispatching Control Center; the Director and Deputy Secretary of the Party Committee of the State Power Dispatching Control Center; the Chief Engineer of State Grid Corporation and concurrently the Director and Deputy Secretary of the Party Committee of State Power Dispatching Control Center of the Company; the Chief Engineer of the Company and concurrently the Chairman of Beijing Power Exchange Center Co., Ltd., etc.

Mr. Pan Jingdong: Mr. Pan has a doctor's degree and is a professor-level senior engineer. He is the Deputy General Manager and a Member of the Party Group of the Company. Mr. Pan used to serve as the Chief Engineer, Deputy General Manager and a Member of the Party Committee at Shandong Electric Power Group Corporation; the Deputy General Manager and a Member of the Party Committee at State Grid Shandong Electric Power Company; the Deputy Director of Operation and Maintenance Department of the Company; the Deputy Director and a Member of the Party Group (Bureau-Director level) of the Company's South-west Branch; the Secretary of the Party Committee and Deputy General Manager of State Grid Sichuan Electric Power Company; the Chairman and Secretary of the Party Group of State Grid Hebei Electric Power Company; and the Chairman and Secretary of the Party Committee of State Grid Beijing Electric Power Company, etc.

Mr. Ji Mingbin: Mr. Ji has a master's degree. He is the Deputy General Manager and a Member of the Party Group of the Company. He previously has held positions as the Deputy General Manager of Shenhua Sichuan Energy Company; the Director, General Manager and Deputy Secretary of the Party Committee of Guohua Energy Investment Co., Ltd.; the Chairman and Secretary of the Party Committee at State Energy Group Ningxia Power Generation Branch Company; the Chairman and Secretary of the Party Committee of Guodian Yinglite Energy Chemical Co.; the Chairman and Secretary of the Party Committee at State Energy Group Ningxia Tenggeli Energy Development Co.; and the Chairman and Secretary of the Party Committee at State Energy Group Jiangsu Power Co., Ltd., etc.

Mr. Wang Zhiwei: Mr. Wang has a master's degree. He is currently the Deputy General Manager and a Member of the Party Group of the Company. Mr. Wang previously served as the Chief Engineer of State Grid Heilongjiang Electric Power Company Limited; Deputy General Manager and a Member of the Party Committee of State Grid Heilongjiang Electric Power Company Limited; General Manager and Deputy Secretary of the Party Committee of State Grid Harbin Power Supply Company; Director, General Manager and Deputy Secretary of the Party Committee of State Grid Jilin Electric Power Company Limited; Chairman and Secretary of the Party Committee of State Grid Jilin Electric Power Company Limited; and Chairman and Secretary of the Party Committee of State Grid Shandong Electric Power Company, etc.

SUMMARY OF RELEVANT PRC LAWS AND REGULATIONS

OVERVIEW

We are subject to various PRC laws and regulations. Based on the scope of applicability, those various laws and regulations related to our business and operation can be divided into two categories. The first category consists of the laws and regulations specifically applicable to the electric power and energy industries we operate in and the second category comprises the laws and regulations generally applicable to all PRC enterprises. In addition, we shall also comply with regulations related to cross-border guarantees and of foreign debt registration in connection with the medium term note programme and drawdowns thereunder.

PRINCIPAL REGULATORY AUTHORITIES

The following PRC governmental authorities regulate and supervise the businesses we primarily engage in:

Governmental Authorities	Major Responsibilities
NDRC	• Formulating and organizing the implementation of national economic and social development strategies, medium- and long-term plans, and annual plans.
	• Reviewing or approving major energy investment projects.
	• Drafting laws and regulations related to national economic and social development, economic system reform, and opening up, as well as formulating departmental rules.
	• Managing the National Energy Administration.
SASAC	• Performing, as authorized by the relevant level of government, the investor's responsibilities on behalf of the government in respect of state-invested enterprises.
	• Being responsible for maintaining and increasing the value of state-owned assets.
	• Promoting the reform and development of state-owned enterprises.
NEA	• Drafting draft laws and regulations relating to energy development and supervision for submission for review and approval, as well as formulating departmental rules; formulating and organizing the implementation of energy development strategies, plans and policies. advancing energy system reforms, preparing relevant reform proposals, and coordinating major issues in energy development and reform.
	• Organizing the formulation of industry policies and related standards for coal, oil, natural gas, electricity, new energy, renewable energy, as well as refining, coal-based fuels, and fuel ethanol.
	• Approving, verifying and reviewing energy fixed asset investment projects within the authority stipulated by the State Council.

Governmental Authorities	Major Responsibilities
	• Supervising the operation of the electricity market, regulating its order, and supervising and inspecting electricity tariffs.
	• Overseeing the supervision and management of power production safety, reliability management and emergency response in the power sector.
	• Guiding, supervising and managing electricity business permits.
	• Organizing and promoting international cooperation in the energy sector.
Ministry of Ecological Environment (formerly the Ministry of Environment	• Responsible for establishing and improving fundamental systems for ecological and environmental protection, jointly formulating national ecological and environmental policies and plans with relevant departments and organizing their implementation, drafting laws and regulations, and formulating departmental rules.
	• Responsible for the overall coordination and supervision of major ecological and environmental issues.
	• Supervising and managing the prevention and control of environmental pollution.
	• Supervising and managing ecological and environmental access;
	• Organizing and conducting central government environmental inspections.
Ministry of Emergency Management	• Organizing the preparation of overall national emergency response plans and strategies, guiding local authorities and departments in responding to emergencies, and promoting the development and practice of emergency response systems and plans.
	• Organizing the establishment of disaster relief systems and guiding emergency rescue efforts for production safety incidents and natural disasters.
	• Responsible for the comprehensive supervision and administration of production safety, as well as the supervision of production safety in the industrial, mining, commercial and trade sectors.
SAT	• Drafting laws, regulations and implementation rules on taxation and making recommendations on tax policies.
	• Assuming responsibility for organising and administering the collection and management of taxes, social insurance contributions, and relevant non-tax revenues.
	• Organizing and implementing reforms to the tax collection and administration regime.

Governmental Authorities	Major Responsibilities
Ministry of Natural Resources (formerly the Ministry of Land and Resources)	• Supervising and administering the rational development and utilisation of natural resources. • Establishing, supervising and implementing the spatial planning system. • Fulfilling responsibilities as the owner of the people's natural resource assets, including land, minerals, forests, grasslands, wetlands, water and oceans. • Unifying registration and verification of natural resource rights. • Being responsible for the paid use of natural resources.
MOHURD	• Formulating and issuing unified national quotas and industry standards for construction projects. • Assuming responsibility for the supervision and administration of construction quality and safety. • Organising or participating in the investigation and handling of major quality and safety incidents in construction projects. • Supervising and administering the construction market and standardising the conduct of all market participants.
MOHRSS	• Formulating policies and plans for the development of human resources and social security, drafting relevant laws and regulations, formulating departmental rules and organising their implementation. • Responsible for promoting employment. • Coordinating the advancement of a multi-level social security system that covers both urban and rural areas.
National Health Commission (formerly National Health and Family Planning Committee)	• Organising the formulation of national health policies. • Coordinating and promoting the deepening of reforms to the medical and healthcare system. • Responsible for health emergency response work. • Supervising and administering, within its scope of authority, occupational health, radiation health, environmental health, school health, public place health, and drinking water hygiene. • Formulating policy measures to address population ageing and promote the integration of medical and elderly care services.

MAJOR LAWS AND REGULATIONS IN POWER AND ENERGY INDUSTRIES

We have summarized the major laws and regulations relevant to the electric power and energy industry regarding the following matters: (i) the electric power industry and industrial access thresholds; (ii) transmission, supply, and dispatch of electric power; (iii) electric power tariffs and renewable energy. The summary is as follows:

Electric Power Industry and the Industrial Access Thresholds

The Electric Power Law

The Electric Power Law of the People's Republic of China ("**Electric Power Law**"), which came into effect in April 1996 and was revised for the third time in December 2018, contains regulatory provisions concerning electric power construction, power production, grid management, power tariffs and fees, as well as the protection of electric power facilities, among others. The Electric Power Law aims to safeguard and promote the development of the electric power industry, protect the lawful rights and interests of electric power investors, operators, and users, and ensure the safe operation of electric power. The Electric Power Law also stipulates that the state encourages and guides domestic and foreign economic entities and individuals to invest in and develop electric power sources and establish electric power production enterprises in accordance with the law.

The Electric Power Regulatory Ordinance

The Electric Power Regulatory Ordinance came into effect in May 2005, and provides for the electric power regulatory authority, regulatory responsibilities, regulatory measures, legal liabilities, and other matters.

Measures for the Supervision of Electric Power Market

The Measures for the Supervision of the Electric Power Market has been in effect since June 2024. It stipulates the supervision targets and content, rules for the operation of the power market, registration management of the power market, intervention and termination of the power market, dispute resolution in the power market, information disclosure, and other related matters.

The Provisions on the Administration of Electric Power Business Permit

Pursuant to the Provisions on the Administration of the Electric Power Business Permit, which came into effect in December 2005 (revised in January 2024 and coming into effect in March 2024), entities engaging in the electric power business within the territory of the People's Republic of China must obtain an electric power business permit in accordance with these provisions. Unless otherwise stipulated by the National Energy Administration (NEA), no entity or individual may engage in the electric power business without obtaining an electric power business permit. In particular, entities engaging in electric power transmission must obtain a Transmission Business Permit, while entities engaging in power supply must obtain a Power Supply Business Permit.

Decision of the State Council on Cancelling and Delegating the Administration of Fifty Items of Administrative Approval

The Decision of the State Council on Cancelling and Delegating the Administration of Fifty Items of Administrative Approval, issued in July 2013, integrated the issuance of electric power business permits, the establishment and modification approval of power supply business areas, and the issuance of power supply business permits into one administrative licensing matter, which has now been delegated to regional energy regulatory agencies.

Notice on Clarifying Issues in Delegating the Issuance of the Electric Power Business Permit

According to the Notice on Clarifying Issues in Delegating the Issuance of the Electric Power Business Permit, issued by the NEA in November 2013, the issuance of electric power business permits (including generation, transmission, and supply categories) has been delegated to the NEA regional regulatory agencies where the applicant enterprise is located.

Several Opinions of the CPC Central Committee and the State Council on Further Deepening the Reform of the Electric Power System

In order to further deepen the reform of the electric power system, resolve the prominent contradictions and deep-seated issues restricting the scientific development of the electric power industry, promote sound and rapid development of the electric power sector, and advance structural transformation and industrial upgrading, the CPC Central Committee and the State Council issued and implemented the Several Opinions on Further Deepening the Reform of the Electric Power System ("**Opinions**") in March 2015.

The Opinions set out key near-term tasks for advancing the reform of the electric power system, primarily including: orderly advancing the reform of electric power tariffs and rationalizing the formation mechanism; deepening the reform of the electric power trading system and improving the market-driven mechanisms; establishing relatively independent power trading institutions to create a fair and standard market trading platform; reforming power production and consumption planning to enable market mechanisms to play a greater role; steadily advancing reforms in the power sales business and gradually opening the power sales sector to private capital; ensuring fair access to the grid and establishing new mechanisms for the development of distributed generation; and strengthening comprehensive planning and scientific supervision to increase the safety and reliability of electric power.

Notice on Issuing the Action Plan for Accelerating the Establishment of a New Power System (2024-2027)

To fully implement the requirements of the Opinions of the General Offices of the CPC Central Committee and the State Council concerning deepening the reform of the power system and accelerating the construction of a new power system, the National Development and Reform Commission (NDRC), the NEA, and the National Data Administration have formulated the Action Plan for Accelerating the Establishment of a New Power System (2024–2027) ("**Action Plan**"). The Action Plan focuses on breakthrough areas in the construction of the new power system in the near term, selects representative and typical directions for exploration, and aims to address major challenges with targeted measures to enhance the electric grid's capability to receive, allocate, and regulate clean energy. Under the Action Plan, from 2024 to 2027, nine special initiatives will be implemented to ensure the construction of the new power system yields practical results.

Transmission, Supply, and Dispatch of Power

Regulations on Supply and Use of Electric Power

The Regulations on the Supply and Use of Electric Power ("**Supply and Use Regulations**") came into effect in September 1996 and were amended for the second time in March 2019. They apply to electric power supply enterprises and users, as well as entities and individuals involved in the supply and use of electric power within the territory of the People's Republic of China. According to the Supply and Use Regulations, grid operating enterprises are legally responsible for the supply and use of electric power within their respective areas. Power supply enterprises and users must enter into power supply and consumption contracts in accordance with the principles of equality, voluntariness, and mutual agreement.

Regulations on Power Grid Dispatch Administration

The Regulations on Power Grid Dispatch Administration ("**Dispatch Regulations**") promulgated by the State Council came into effect in November 1993 and were amended in January 2011. These regulations establish the principles of unified dispatch and hierarchical management for power grid operation. According to the Dispatch Regulations and the Implementing Measures for the Regulations on Power Grid Dispatch Administration (effective from October 1994), dispatch institutions are established at five levels: (i) national power grid dispatch institution; (ii) inter-provincial, autonomous region, or municipality dispatch institution; (iii) provincial, autonomous region, or municipality-level dispatch institution; (iv) prefecture-level city dispatch institution; and (v) county-level dispatch institution. Lower-level dispatch institutions must comply with dispatch instructions from their superior dispatch institutions. Operating personnel at power stations, substations, and similar units must adhere to the dispatch management of the dispatch institution with direct jurisdiction, according to the demarcated areas of dispatch management.

Electric Power Law and Provisions on the Administration of Grid Connection Operation

Under the Electric Power Law (as amended in 2018), the state encourages the grid connection operation of electric power production enterprises with the grid, as well as interconnection between grids. Where an electric power production enterprise with independent legal person status requests that its generated electric power be connected to the grid, the grid operating enterprise is required to accept. Grid connection operations must comply with national or electric power industry standards. Both parties to the grid connection must sign a grid connection agreement in accordance with the principles of unified dispatch, hierarchical management, equality and mutual benefit, and mutual agreement, setting out the rights and obligations of both parties.

According to the Provisions on the Administration of Grid Connection Operation ("**Grid Connection Provisions**"), issued in November 2006 and revised and effective as of December 2021, an entity seeking grid connection must enter into a grid connection dispatch agreement and power purchase and sale agreement in a timely manner with the power grid enterprise, based on equality and mutual benefit, consensus through consultation, and the principle of ensuring the safe operation of the power system. These should be modeled after the regulatory authority's template agreements such as the Grid Dispatch Agreement and Power Purchase and Sale Contract. Entities may not operate in parallel with the grid without such agreements. The Grid Connection Provisions also specify management and evaluation standards for the operation and assessment of generating plants connected to the grid.

Provisions on the Handling of Interconnection Disputes

Under Article 22 of the Electric Power Law, if the parties to a grid connection cannot reach an agreement, the competent electric power authority at or above the provincial level shall coordinate and decide. The Provisions on the Handling of Interconnection Disputes in Electric Power Grid Connection (effective November 2006, amended January 2024 and effective March 2024) require that, in the event of an electric power grid interconnection dispute between a generating enterprise and a grid enterprise, or between grid enterprises, the parties must first seek to resolve the dispute through consultation; if unsuccessful, either party may apply to the electric power regulatory authority for resolution.

Power Tariffs

Electric Power Law

The Electric Power Law (effective April 1996, amended December 2018) sets out the general principles for setting power tariffs. Power tariffs should reasonably compensate costs, reasonably determine profit levels, include taxes according to law, uphold the principle of fair burden, and promote power infrastructure development. Power tariffs include the on-grid tariff for power generation enterprises ("**on-grid tariff**"), inter-grid settlement tariff, and grid sales tariff ("**sales tariff**"). In July 2003, the State Council approved the Power Tariff Reform Plan, clarifying that the long-term objective of power tariff reform is, building on further power sector reform, to divide tariffs into on-grid tariff, transmission

tariff, distribution tariff, and end-user sales tariff. Generation and retail tariffs are to be determined by market competition; transmission and distribution tariffs by government regulation. A standardized and transparent power tariff management system is to be established.

Notice on Standardizing Electric Power Transaction Tariff Management

In October 2009, the National Development and Reform Commission (NDRC), National Energy Administration (NEA), and former State Electricity Regulatory Commission (abolished) issued the Notice on Standardizing Electric Power Transaction Tariff Management. The rules it set for on-grid tariffs (for commercial operation), inter-provincial and inter-regional transaction tariffs, and sales tariffs are as follows:

Upon entering commercial operation, unless otherwise mandated by laws or regulations at the national or inter-provincial/inter-regional level, all generating unit on-grid tariffs must comply with those set by the competent price authorities.

Where the state has set prices for inter-provincial/inter-regional power transactions, those prices must be strictly observed. Where not set, the parties must, under the guidance of local price authorities, NEA regulators, and power authorities in the sending and receiving regions, negotiate inter-grid settlement with reference to average on-grid tariffs of the sending grid and average purchase tariffs of the receiving grid.

Grid enterprises must strictly implement NDRC-issued sales tariff standards for end-users. No government body or grid enterprise may independently increase or decrease end-user sales tariffs or apply discounts under the guise of large-user direct purchase or supply.

Notice of the Comprehensive Department of NEA on Matters Related to Direct Power Transactions between Users and Generators

In July 2013, the Comprehensive Department of the NEA issued the Notice on Matters Related to Current Direct Transactions between Power Users and Generating Enterprises, to advance direct transactions between users and generators and strengthen regulatory oversight. The notice stipulates that no administrative approval is required for pilot direct trading, refines market access conditions, and requires accelerating the verification of transmission and distribution tariffs (including loss rates).

Implementation Opinions on Advancing the Reform of Transmission and Distribution Tariffs

In November 2015, the NDRC and NEA issued the Implementation Opinions on Advancing the Reform of Transmission and Distribution Tariffs, proposing the establishment of a rules-based, reasonable, well-regulated, and transparent independent pricing system and tariff formation mechanism for transmission and distribution. Under the "permitted cost plus reasonable return" principle, competent authorities must approve allowed total revenue and transmission/distribution tariffs for each grid by voltage level, clarifying government levies and cross-subsidies.

Measures for the Pricing of Regional Grid Transmission Tariffs

In January 2020, to implement the Several Opinions of the CPC Central Committee and State Council on Further Deepening the Reform of the Electric Power System ([2015] No. 9) and the Opinions on Advancing the Reform of Pricing Mechanisms ([2015] No. 28), and to further standardize and rationalize the verification of transmission and distribution tariffs, the NDRC, in consultation with the NEA, revised and issued the Measures for the Pricing of Regional Grid Transmission Tariffs (trial implementation: NDRC Price [2017] No. 2269) to further clarify the principles, calculation methods, and adjustment mechanisms for determining regional grid transmission tariffs.

Measures for the Pricing of Provincial Grid Transmission and Distribution Tariffs

Also in January 2020, as above, the NDRC revised and issued the Measures for the Pricing of Provincial Grid Transmission and Distribution Tariffs (trial: NDRC Price [2016] No. 2711), further standardizing the principles, calculation methods, and adjustment mechanisms for provincial-level grid transmission and distribution tariffs.

Measures for the Pricing of Inter-Provincial and Inter-Regional Major Project Transmission Tariffs

In October 2021, to implement requirements from the Several Opinions of the CPC Central Committee and State Council on Further Deepening Reform of the Electric Power System ([2015] No. 9) and Opinions on Advancing Reform of Pricing Mechanisms ([2015] No. 28), accelerate power tariff reform, and further enhance the scientific and rational basis for setting tariffs for inter-provincial/inter-regional major transmission projects, the NDRC, after consultation with the NEA, revised the Measures for the Pricing of Inter-Provincial and Inter-Regional Major Project Transmission Tariffs (trial: NDRC Price Reg. [2017] No. 2269). The measures set out principles, calculation methods, and adjustment mechanisms for these tariffs.

Notice on Provincial Grid Transmission and Distribution Tariffs for the Third Regulatory Cycle

In May 2023, the NDRC released the Notice on Provincial Grid Transmission and Distribution Tariffs for the Third Regulatory Cycle (effective June 2023), setting out approved tariffs for each province under the regulatory framework, in accordance with the relevant measures previously promulgated (NDRC Price Reg. [2019] No. 897 and NDRC Price Reg. [2020] No. 101). Electricity prices for users are gradually being unified into three categories: residential, agricultural production, and industrial/commercial (other than those covered by residential or agricultural rates). In provinces not yet adopting unified industrial and commercial pricing, rates may be divided into four categories: residential, agricultural, large industrial, and general industrial/commercial (other than those covered by the previous three). Grid enterprises must strictly implement the tariffs approved in the Notice and ensure balanced development of the power grid.

Notice on Further Standardizing Power Market Trading Behavior

In November 2024, the Comprehensive Department of the NEA issued the Notice on Further Standardizing Power Market Trading Behavior, requiring acceleration of the development of a unified, open, competitive, secure, efficient, and well-governed national power market.

Notice on Deepening the Market-Oriented Reform of New Energy On-Grid Tariffs and Promoting High-Quality Development of New Energy

In January 2025, the NDRC and the NEA issued the Notice on Deepening the Market-Oriented Reform of New Energy On-Grid Tariffs and Promoting High-Quality Development of New Energy, aiming to accelerate the development of a new power system, improve market-based green and low-carbon development mechanisms, enhance the decisive role of the market in resource allocation, and promote high-quality development of new energy. The notice promotes the construction of a new power system, the establishment of sound green and low-carbon development mechanisms, and the decisive role of the market in resource allocation to robustly advance high-quality new energy development.

Renewable Energy

Renewable Energy Law of the People's Republic of China and the Guidance Catalogue on the Development of the Renewable Energy Industry

According to the Renewable Energy Law of the People's Republic of China ("**Renewable Energy Law**"), which became effective in January 2006 and was amended in December 2009 (effective April 2010), and the Guidance Catalogue on the Development of the Renewable Energy Industry, promulgated by the National Development and Reform Commission (NDRC) and effective from November 2005,

renewable energy is defined as wind energy, solar energy, hydropower, biomass energy, geothermal energy, ocean energy, and other types of non-fossil energy. The Renewable Energy Law sets out the regulatory framework for the development and utilisation of renewable energy.

Pursuant to the Renewable Energy Law, power grid enterprises must (i) enter into grid connection agreements with renewable energy power generation enterprises that are developed in accordance with the renewable energy development and utilisation plan and have lawfully obtained administrative approval or completed the required filings; (ii) fully purchase the on-grid electricity generated by grid-connected renewable energy projects that meet the technical standards for grid connection within their grid coverage area; and (iii) provide services and technical support for grid connection of electricity generated from renewable energy. Power generation enterprises are required to cooperate with power grid enterprises to ensure the security of grid operations.

Measures for Regulating the Guaranteed Full Purchase of Renewable Electricity

According to the Measures for Regulating the Guaranteed Full Purchase of Renewable Electricity, effective from April 2024, the National Energy Administration (NEA) and its local branches (collectively, the electricity regulatory authorities) supervise the obligation of grid enterprises, power dispatch institutions, power trading institutions, and other relevant electricity market participants to guarantee the full purchase of renewable electricity. Where a grid enterprise fails to purchase renewable electricity as required and causes economic loss to a renewable energy generating enterprise, it shall be liable for compensation and must rectify the situation within a specified timeframe as ordered by the electricity regulatory authority.

Interim Measures for the Administration of the Collection and Use of the Renewable Energy Development Fund

According to the Interim Measures for the Administration of the Collection and Use of the Renewable Energy Development Fund, effective January 2012:

- The renewable energy development fund comprises special funds allocated through the state finance public budget and the income from surcharges on renewable energy tariff as lawfully collected from electricity users.

- Renewable energy tariff surcharges are imposed nationwide (except for the Tibet Autonomous Region) on the electricity sales volume of each province, autonomous region, and municipality directly under the central government, after deducting electricity for agricultural production (including irrigation and drainage). The financial supervision commissioner's offices of the Ministry of Finance collect the tariff surcharges from grid enterprises each month and remit the income directly to the central treasury.

- The renewable energy development fund is used to support renewable energy power generation and the development and utilization of renewable energy. Income from the surcharges is used to subsidize: (i) where a power grid enterprise incurs costs purchasing electricity generated from renewable energy at on-grid tariffs determined by the pricing authority of the State Council or set via competitive mechanisms in accordance with the Renewable Energy Law, the amount by which these costs exceed the average on-grid tariff cost of electricity generated by conventional energy; (ii) for public renewable energy independent power systems constructed or subsidized by the state, which apply locally classified sales tariffs, the portion of reasonable operation and management expenses that exceeds the sales tariff; and (iii) reasonable grid connection expenses and other reasonable associated costs paid by a grid enterprise for purchasing electricity generated from renewable energy that cannot be recovered through sales tariffs.

MAJOR LAWS AND REGULATIONS GENERALLY APPLICABLE TO INDUSTRIAL ENTERPRISES

In addition to the regulatory regime specifically applies to the electric power and energy industry, as an industrial enterprise, we are also subject to the general PRC laws and regulations concerning project approval, land use, environmental protection, construction, labor and occupational protection issues. The relevant laws and regulations include:

Administrative License Law (2019 Revision)

Pursuant to the PRC Administrative License law which became effective in July 2004 and was amended and became effective in April 2019, administrative licensing refers to the conduct by which an administrative authority, after review in accordance with the law, grants approval to citizens, legal persons, or other organisations upon their applications to engage in specific activities. The imposition and implementation of administrative licensing shall be consistent with the authority, scope, conditions and procedures set forth by law and follow the principles of publicity, fairness, impartiality, convenience for the people. The administrative licenses lawfully obtained by a citizen, a legal entity or other forms of organizations shall be protected by law. The administrative authority shall not alter an effective administrative license without legal basis.

The Decision of the State Council on the Reform of the Investment System and the Catalogue of Investment Projects Subject to the Approval of Government (2016 Version)

According to the Decision of the State Council on the Reform of the Investment System, which became effective in August 2004, the PRC government only exercises approval power with respect to important projects and projects in restricted industries from the perspective of safeguarding public interest. All other projects, regardless of their scale, will be subject to a government-maintained filing regime. Furthermore, the PRC government shall strictly limit the scope of its approval power and such scope shall be determined by the Catalogue of Investment Projects Subject to the Approval of Government (2016) (the "**Catalogue**") as approved by the State Council. Without the State Council's authorization, government authorities at lower levels shall not discretionarily expand or reduce the scope of the Catalogue.

Pursuant to the Catalogue, the direct current projects with a voltage of ±500 KV or more crossing the border or covering two or more provinces (autonomous regions or municipalities directly under the Central Government), and the alternating current projects with a voltage of 500 KV, 750 KV or 1,000 KV crossing the border or covering two or more provinces (autonomous regions or municipalities directly under the Central Government) shall be subject to confirmation by the investment administrative department of the State Council, among which the direct current projects with a voltage of ±800 KV or more, and the alternating current projects with a voltage of 1,000 KV shall be reported to the State Council; DC projects of ±500 kV and above, and AC projects of 500 kV, 750 kV and 1,000 kV, other than cross-border, cross-province transmission are subject to confirmation by provincial governments according to the relevant planning by the State, and other projects are subject to confirmation by local government according to the relevant planning by the State.

Environmental Protection Law

The PRC Environmental Protection Law ("**Environmental Protection Law**") came into effect in December 1989 and was amended in April 2014, with the amendment coming into force in January 2015. The Environmental Protection Law provides that all entities and individuals have an obligation to protect the environment. Where citizens, legal persons, or other organisations discover any entity or individual engaging in actions that pollute the environment or damage the ecosystem, they have the right to report such conduct to the competent environmental protection authorities or other departments with supervisory and administrative responsibilities in environmental protection. The administrative department for environmental protection under the State Council exercises unified supervision and

administration over environmental protection work nationwide. For violations of the provisions of the Environmental Protection Law, the competent environmental protection authorities may impose penalties according to the specific circumstances.

The Law on Assessment of Environment Impact and the Catalogue for the Classified Administration of Environmental Impact Assessment for Construction Projects

Under the Law of the PRC on Assessment of Environment Impact (effective in September 2003, amended in December 2018), environment impact assessment documents consist of the report of environmental impact, the report form of environmental impact and the registration form of environmental impact according to the seriousness of the relevant environmental impact. Power transmission and transformation projects, according to the Catalogue for the Classified Administration of Environmental Impact Assessment for Construction Projects which lastly amended in November 2020 and became effective in January 2021, shall obtain the following formats of environment impact assessment documents under different situations:

- Report of environmental impact: the construction projects with a voltage of 500 KV or above; or the construction projects with a voltage of 330 KV or above which related to sensitive environmental areas;

- Form of environmental impact: other construction projects (except for construction projects under 100 KV).

The Land Administration Law

The People's Republic of China implements a socialist public ownership system for land, namely ownership by the whole people and collective ownership by working people. Any entity or individual may lawfully acquire land use rights. Pursuant to the Land Administration Law of the People's Republic of China (which came into force in January 1987 and was most recently amended in August 2019 and effective from January 2020), the State shall implement a paid use system for State-owned land in accordance with the law, except for cases where the right to use State-owned land is allocated by the State within the scope prescribed by law. The State formulates master plans for land utilization, determines the uses of land, and classifies land into agricultural land, construction land and unused land. Entities and individuals using land must use the land strictly in accordance with the master plans as to its determined use.

According to the Interim Regulations of the People's Republic of China on the Assignment and Transfer of the Right to the Use of State-owned Land in Urban Areas, promulgated by the State Council in May 1990 and amended in November 2020, and the Land Administration Law enacted by the Standing Committee of the National People's Congress in January 2020, the principal means of acquiring the right to use State-owned land are assignment, transfer and allocation.

Assignment of land use rights refers to the act whereby the State, as the owner of the land, grants land use rights to a land user for a specified term, with the land user paying to the State a land use right assignment fee. An assignment contract for land use rights must be concluded. For land intended for industrial purposes, the maximum term of the assigned land use right is generally fifty years. The assignment of land use rights can be conducted by the following means: (1) by agreement; (2) by invitation to tender; or (3) by auction.

Transfer of land use rights refers to the act by which a land user further transfers the land use rights, including through sale, exchange, or donation. A land use right transfer contract must be concluded for such transfers. Where a land use right is obtained by transfer, the term of use shall be the original assignment term as specified in the assignment contract less the term already used by the previous user. Upon transfer of the land use right, the ownership of above-ground buildings and other appurtenances shall be transferred together.

Allocative acquisition of land use rights refers to the scenario in which a land user obtains land use rights without consideration and in accordance with the law. Construction entities shall generally acquire State-owned land through assignment and other methods of paid use; however, in the following cases, with approval from people's governments at or above the county level, land use rights may be acquired by allocation: (1) land for State organs and for military purposes; (2) land for urban infrastructure and public welfare uses; (3) land for key infrastructure in energy, transportation, and water conservancy supported by the State; and (4) other land as stipulated by laws and administrative regulations. Where the land user meets the following conditions and with approval from the land administration and real estate administration departments of the municipal or county-level people's government, the allocated land use right as well as ownership of above-ground buildings and other attachments may be transferred, leased or mortgaged: (1) the land user is a company, enterprise, other economic organization, or individual; (2) the land user holds a State-owned land use right certificate; (3) the land user holds a legal property rights certificate for the above-ground buildings and other attachments; and (4) a land use right assignment contract is concluded, and the assignment fee is paid to the local municipal or county people's government, or is set off by the proceeds of the transfer, lease, or mortgage in accordance with the relevant provisions in Chapter Two of these regulations.

The Construction Law

The PRC Construction Law, which became effective in March 1998 and was amended and effective in April 2019, aims to strengthen supervision and regulation of construction activities, maintain the order of construction market, ensure the quality and safety of construction projects and promote the healthy development of the construction industry. The construction activities regulated by this law refer to the construction of various kinds of buildings and ancillary facilities and relevant installation activities of lines, pipelines and equipment. Before the commencement of a construction project, the construction entity shall obtain a construction permit from the local construction authority at or above the county level where the project is located. Construction activities shall ensure the quality and safety of the construction projects and comply with the State's safety standards for construction projects.

The Urban and Rural Planning Law

The Urban and Rural Planning Law of the PRC, which came into effect in January 2008 and was subsequently amended in April 2015 and April 2019, regulates the formulation and implementation of urban and rural plans, as well as construction activities carried out within planned areas. For construction projects within urban or township planning areas where State-owned land use rights are provided by allocation, upon approval, verification or filing by the relevant authorities, the construction entity shall apply to the competent urban and rural planning department of the municipal or county people's government for a construction land planning permit. The competent urban and rural planning department of the municipal or county people's government shall, in accordance with the regulatory detailed plan, determine the site, area, and permitted scope of construction for the construction land, and issue the construction land planning permit. For any building, structure, road, pipeline or other engineering works within urban or township planning areas, construction entities or individuals shall apply to the competent urban and rural planning department of the municipal or county people's government, or the people's government of the township as determined by the provincial, autonomous region or municipal people's government directly under the Central Government, for a construction project planning permit. Any entity or individual has the right to report or lodge complaints regarding activities in violation of urban and rural planning to the competent planning department or other relevant authorities.

The Labor Contract Law and Regulations on the Implementation of the Labor Contract Law

The Labor Contract Law of the People's Republic of China, which came into effect in January 2008 and was amended in December 2012 with the amendment effective from July 2013, together with the Regulations on the Implementation of the Labor Contract Law of the People's Republic of China effective from September 2008, emphasises that employment relationships shall be established on the basis of written labour contracts, and stipulates penalties for violations of the law and its implementing

regulations. Where an employer fails to conclude a written labour contract with an employee within one month but less than one year from the date employment commences, the employer shall pay the employee double salary for each month during such period. Where an employer fails to conclude a written labour contract with an employee for more than one year from the date employment commences, it shall be deemed that an open-ended labour contract has been concluded with the employee. Employers shall strictly enforce labour quota standards and may not force or disguise the compulsion of employees to work overtime. Where an employer arranges for overtime work, it shall pay overtime wages to the employee in accordance with relevant national regulations.

The Social Security Law

According to the Social Insurance Law of the People's Republic of China, which came into force in December 2018, the State establishes social insurance systems such as basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance, in order to protect the right of citizens to obtain material assistance from the State and society in circumstances such as retirement, illness, work injury, unemployment, and childbirth. Individuals are entitled by law to enjoy social insurance benefits and have the right to supervise the payment of social insurance contributions by their employers.

The Work Safety Law of the People's Republic of China and the Measures for the Supervision and Administration of Work Safety in the Electricity Sector

The Work Safety Law of the People's Republic of China ("**Work Safety Law**"), effective from November 2002 and amended in June 2021 (effective from September 2021), stipulates that the safety facilities of newly constructed, renovated, or expanded projects of production and business entities must be designed, constructed, and put into use simultaneously with the main body of such projects. The Measures for the Supervision and Administration of Work Safety in the Electricity Sector ("**Electricity Safety Measures**"), which came into effect in March 2015, are intended to effectively implement supervision and administration of work safety in the electricity industry, prevent and reduce electrical accidents, and ensure the safe and stable operation and reliable supply of electricity.

The Law on Prevention and Control of Occupational Diseases of the People's Republic of China

The Law on Prevention and Control of Occupational Diseases of the People's Republic of China ("**Occupational Disease Law**"), effective from May 2002 and most recently amended in December 2018, aims to prevent, control, and eliminate occupational disease hazards, prevent and treat occupational diseases, protect workers' health and related rights and interests, and promote economic and social development. The State implements a system of occupational health supervision. The health administrative departments and labour security administrative departments under the State Council are responsible, within their respective mandates, for the nationwide supervision and administration of the prevention and control of occupational diseases in accordance with this law and the functions determined by the State Council. Relevant departments of the State Council and local people's governments at or above the county level are responsible, within their respective mandates, for relevant supervision and administration of occupational disease prevention and control within their administrative regions. According to the Occupational Disease Law, the State shall establish a reporting system for projects identified as having occupational disease hazards. Where a workplace contains any occupational disease hazard factors listed in the official catalogue of occupational diseases, the employer must promptly and truthfully report such hazardous projects to the local work safety administrative department and accept supervision.

With respect to construction activities, the Occupational Disease Law provides that, for any newly constructed, expanded, or renovated building project or technical modification or introduction likely to produce occupational disease hazards, the construction entity shall conduct a pre-assessment of occupational disease hazards at the feasibility study stage. For construction projects of medical institutions that may generate radioactive occupational disease hazards, the construction entity shall submit a pre-assessment report on radioactive occupational disease hazards to the health administrative

department. The health administrative department shall, within thirty days of receiving the pre-assessment report, make a decision and notify the construction entity in writing. If the pre-assessment report is not submitted or is not approved by the health administrative department, the construction of the relevant project must not commence.

Foreign Exchange Regulations on Registration of Cross-border Guarantees

On 12 May 2014, the State Administration of Foreign Exchange (SAFE) promulgated the Provisions on the Administration of Foreign Exchange for Cross-border Guarantees and the related Operating Guidelines (collectively, "**Cross-border Guarantee Regulations**"). The Cross-border Guarantee Regulations became effective on 1 June 2014 and repealed twelve previous normative legal documents concerning cross-border guarantees.

Under the Cross-border Guarantee Regulations, for cross-border guarantees where the guarantor is registered in China and the debtor and creditor are both registered overseas (commonly known as "**Nei Bao Wai Dai**"), where the guarantor is a non-banking financial institution or enterprise, it must complete the contract registration formalities for Nei Bao Wai Dai with the local branch of SAFE within 15 business days following the execution of the guarantee contract. Where there is any change to the core terms of the guarantee contract, change registration for the contract must be completed. SAFE carries out a procedural review of the application for registration by non-bank guarantors in accordance with the principles of authenticity and compliance.

Funds raised under Nei Bao Wai Dai can only be used for relevant expenditures within the normal course of the debtor's business operations. According to the SAFE Notice on Further Promoting Foreign Exchange Administration Reform and Improving Authenticity and Compliance Review (Hui Fa [2017] No. 3), issued on 18 January 2017, a debtor may transfer funds raised under a guarantee back into China for use, either directly or indirectly, by making loans or equity investments domestically.

Further, if the guarantee obligation under Nei Bao Wai Dai is to repay the overseas debtor's bond issuance, the overseas debtor must be directly or indirectly held by a domestic institution, the proceeds of the overseas bonds must be used for the overseas investment projects in which the domestic institution holds an equity interest, and the relevant overseas institutions or projects must be approved, registered, filed, or confirmed by domestic and foreign investment regulators as required.

Pursuant to the Cross-border Guarantee Regulations, if a non-bank institution is required to perform under Nei Bao Wai Dai, it may use the guarantee registration document stamped by SAFE to directly purchase foreign exchange and make related outwards payments at a commercial bank. In such cases, the domestic guarantor who has become the creditor of an external claim or the counter-guarantor must complete registration of the external claim pursuant to the applicable regulations. Where the guarantor fails to complete Nei Bao Wai Dai registration in accordance with the requirements, penalties may be imposed in accordance with Article 48 of the Foreign Exchange Administration Regulations.

Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises

On 5 January 2023, the National Development and Reform Commission (NDRC) issued the Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises ("**NDRC Measures**"), which came into effect on 10 February 2023. Under the NDRC Measures, enterprises are required to obtain the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises ("**Examination and Registration Certificate**") and complete the necessary registration procedures prior to borrowing any foreign debt. Borrowing foreign debt prior to registration is prohibited. Enterprises must, within ten business days of drawing down each foreign debt, submit information on such borrowing and their key operating indicators to the registration authority via an online system, and, within ten business days after the expiry of the Examination and Registration Certificate, report on their foreign debt borrowings.

Where an enterprise borrows foreign debt in violation of the NDRC Measures, the registration authority, depending on the circumstances, may take disciplinary actions against the enterprise and its principal responsible persons, including conducting interviews and issuing public warnings. Where application materials and disclosure by an enterprise include concealment, false records, misleading statements, or material omissions, the registration authority may issue a warning to the enterprise and its responsible persons. If the Examination and Registration Certificate has been obtained through concealment, deception, bribery, or other improper means, the registration authority shall revoke the certificate. Where the enterprise fails to report the required information as stipulated in the NDRC Measures, the registration authority may order corrective action within a specified period, and if the violation is serious or not rectified within such period, warnings may be issued to the relevant enterprise and its responsible persons.

TAXATION

The statements herein regarding taxation are based on the laws and practice in force as of the date of this Offering Circular and are subject to any changes in law or practice occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes, including any possible consequences under the laws of their country of citizenship, residence or domicile.

PRC

Enterprise Income Tax

According to Articles 2 and 3 of the Enterprise Income Tax Law of the People's Republic of China ("**Enterprise Income Tax Law**"), enterprises that are established under laws of foreign countries and regions whose "de facto management bodies" are within the territory of the PRC may be deemed by the relevant PRC tax authorities to be PRC tax resident enterprises for the purpose of the EIT Law and required to pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside China. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25 per cent. on its income sourced from both within and outside PRC.

Article 91 of the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China impose withholding tax at the rate of 10 per cent., or a lower rate if tax treaty benefits are available, on PRC-source income paid to a "non-resident enterprise" that does not have an establishment or place of business in China or that has an establishment or place of business in China but the relevant income is not effectively connected therewith. Pursuant to these provisions of the EIT Law, in the event the Issuer is considered a PRC resident enterprise by the PRC tax authorities in the future, interest payable to non-resident enterprise holders of the Notes may be treated as income derived from sources within China and be subject to such PRC withholding tax. Further, in accordance with the Individual Income Tax Law of the PRC ("**IIT Law of PRC**") which was revised and implemented on January 1, 2019 and its implementation regulations which was revised and implemented on January 1, 2019, if the Issuer is considered a PRC tax resident enterprise, interest payable to non-resident individual holders of the Notes may be treated as income derived from sources within China and be subject to a 20 per cent. individual income tax; accordingly, if the Issuer is treated as a PRC tax resident enterprise, the Issuer would be obliged to withhold such individual income tax on payments of interests to non-resident individual holders of the Notes. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified holders of the Notes.

As confirmed by the Issuer, as of the date of this Offering Circular, the Issuer has not been given notice or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law, nor has it sought clarification from the PRC tax authorities in this regard. On that basis, non-resident enterprise holders of the Notes would not be subject to income tax imposed by any governmental authority in the PRC in respect of the holding of the Notes or any repayment of principal and payment of interest made thereon. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

In addition, as the Guarantor is a PRC resident enterprise, in the event that the Guarantor is required to fulfil its obligations under the Guarantees by making interest payments on behalf of the Issuer, the Guarantor may be obliged to withhold PRC enterprise income tax at the rate up to 10 per cent. on such payments of interest to non-PRC resident enterprise holders of the Notes and 20 per cent. for non-resident individual holders of the Notes if such interest payments are deemed to be derived from sources within the PRC. To the extent that the PRC has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, which allows a lower rate of withholding tax, such lower rate may apply to qualified holders of the Notes. Repayment of the principal will not be subject to PRC withholding tax.

VAT

On March 23, 2016, the Ministry of Finance and the State Administration of Taxation ("**SAT**") issued the Circular of Full Implementation of Business Tax to VAT Reform《關於全面推開營業稅改徵增值稅試點的通知》(Caishui [2016] No. 36, "**Circular 36**") which confirms that business tax will be completely replaced by VAT from May 1, 2016 as pilot. With effect from May 1, 2016, the income derived from the provision of financial services within PRC which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within PRC shall be subject to VAT. The services are treated as being provided within PRC where either the service provider or the service recipient is located in PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, if the Guarantor makes any interest payments on the Notes under the Guarantee to the holder of Notes, the interests paid by the Guarantor to the holder of Notes is likely to be treated as the holders of the Notes providing loans to the Guarantor, which thus shall be regarded as the provision of financial services subject to VAT. Further, upon thus situation, given that the Guarantor is located in the PRC, the holders of the Notes would be regarded as providing financial services within PRC and consequently, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Notes if the PRC tax authorities deem such financial services is provided within PRC. Upon thus situation, given that the Guarantor pays interest income to Noteholders who are located outside of the PRC, the Guarantor, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT from the payment of interest income to Noteholders who are located outside of the PRC.

Where a holder of the Notes who is an entity or individual located outside of the PRC resells the Notes to an entity or individual whether it is located outside of or in the PRC and derives any gain, since neither the seller nor the notes is located in the PRC, theoretically Circular 36 does not apply and the Guarantor does not have the obligation to withhold the VAT. However, there is uncertainty as to the applicability of VAT if either the seller of Notes is located within the PRC.

Stamp Duty

No PRC stamp tax will be chargeable upon the issue or transfer of a Note to the extent that the register of holders of the Notes is maintained outside mainland China. The Issuer intends to maintain the register of holders of the Notes outside mainland China.

BRITISH VIRGIN ISLANDS

There is no income or other tax of the British Virgin Islands imposed by withholding or otherwise on any payment to be made to or by the Issuer pursuant to the Notes.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of, including where such activities were undertaken.

In addition, with effect from January 1, 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "**FSIE Amendments**"), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong) (the "**SDO**").

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of three per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes **provided that** either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

Notwithstanding the above, no stamp duty is payable on the transfer of a regulatory capital security (as defined in Section 17A of the IRO).

With effect from November 17, 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

The proposed financial transactions tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

PRC CURRENCY CONTROLS

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

CURRENT ACCOUNT ITEMS

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. On July 2009, the PRC government promulgated Measures for the Administration of the Pilot Program of Renminbi Settlement of Cross-Border Trades (跨境貿易人民幣結算試點管理辦法)(the "**Measures**") and its implementation rules, pursuant to which designated and eligible enterprises are allowed to settle their cross-border trade transactions in Renminbi. Since July 2009, subject to the Measures and its implementation rules, the PRC has commenced a scheme pursuant to which Renminbi may be used for settlement of cross-border trade between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On June 17, 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知), pursuant to which (i) the list of designated pilot districts was expanded to cover 20 provinces including Beijing, Shanghai, Tianjin, Chongqing, Guangdong, Jiangsu, Zhejiang, Liaoning, Shandong and Sichuan, and (ii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the PRC, such Renminbi remittance may only be effected by approved pilot enterprises in 16 provinces within the designated pilot districts in the PRC). On August 1, 2011, the PRC government promulgated the Circular on the Expansion of the Regions of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算地區的通知), pursuant to which the list of designated pilot districts was expanded to the whole country. On February 3, 2012, the PRC government promulgated the Circular on the Relevant Issues Pertaining to Administration over Enterprises Engaging in RMB Settlement of Export of Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知), pursuant to which any enterprises in China which are qualified to engage in import and export trade are allowed to settle their goods export trade in Renminbi. On January 26, 2017, the SAFE issued and implemented Notice on Further Facilitating Foreign Exchange Administration Reform to Enhance Authenticity Compliance Review (關於進一步推進外匯管理改革完善真實合規性審核的通知), which allows the remittance of funds under domestic guarantee for overseas borrowing back into China through inward loans, equity investments or other means and further enhanced data collection on current account foreign exchange income deposited overseas. On April 29, 2019, the SAFE issued Notice of the State Administration of Foreign Exchange on Issuing the Measures for the Administration of the Foreign Exchange Business of Payment Institutions (支付機構外匯業務管理辦法), which facilitates domestic institutions and individuals to carry out e-commerce trade through the internet, standardizes the cross-border foreign exchange payment services provided by payment institutions, and prevents the risk of cross-border capital flows through the internet channel. The Notice on the Issuance of the Guidelines on Current Account Foreign Exchange Operations (2020 Edition)(關於印發《經常項目外匯業務指引(2020年版)》的通知) which became effective on August 28, 2023 and the Notice on Further Deepening Reform and Promoting Cross-border Trade and Investment Facilitation (關於進一步深化改革促進跨境貿易投資便利化的通知) which became effective on December 4, 2023, both issued by the SAFE, further integrated the relevant laws and regulations for the purpose of optimizing the business environment and facilitate market participants in handling foreign exchange business related to current account items.

The Measures and the subsequent circulars will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Measures and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties are also generally required to make capital account item payments including proceeds from liquidation, transfer of shares, reduction of capital and principal repayment under foreign debt to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On December 3, 2013, the MOFCOM promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment(關於跨境人民幣直接投資有關問題的公告)(the "**MOFCOM RMB FDI Circular**") which became effective on January 1, 2014. Pursuant to the MOFCOM RMB FDI Circular, the proceeds from foreign direct investment in Renminbi may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investment in PRC domestic listed companies under the PRC strategic investment regime with the approval of the MOFCOM pursuant to the Administrative Measures for Strategic Investment by Foreign Investors in Listed Companies(外國投資者對上市公司戰略投資管理辦法).

On June 3, 2011, the PBOC promulgated the Circular on Clarifying Issues concerning Cross-border Renminbi Settlement(中國人民銀行關於明確跨境人民幣業務相關問題的通知)(the "**PBOC Circular**"). The PBOC Circular provides instructions to local PBOC authorities on procedures for the approval of settlement activities for non-financial Renminbi foreign direct investment into the PRC. The PBOC Circular applies to all non-financial Renminbi foreign direct investment into the PRC, and includes investment by way of establishing a new enterprise, acquiring an onshore enterprise, transferring the shares, increasing the registered capital of an existing enterprise, or providing loan facilities in Renminbi. The domestic settlement banks of foreign investors or foreign invested enterprises in the PRC are required to submit written applications to the relevant local PBOC authorities which include, *inter alia*, requisite approval letters issued by the relevant MOFCOM authorities. The PBOC Circular only applies to cases where the receiving onshore enterprise is not a financial institution.

On October 13, 2011, the PBOC issued the Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment(外商直接投資人民幣結算業務管理辦法)(the "**PBOC RMB FDI Measures**"), which was amended on May 29, 2015, to commence the PBOC's detailed RMB FDI administration system, which covers almost all aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as RMB denominated cross-border loans. Under the PBOC RMB FDI Measures, special approval for RMB FDI and shareholder loans from the PBOC which was previously required by the PBOC Circular is no longer necessary. On June 14, 2012, the PBOC further issued the implementing rules for the PBOC RMB FDI Measures.

On July 5, 2013, the PBOC promulgated the Notice on Simplifying the Procedures of Cross-border Renminbi Business and Improving Relevant Policies(關於簡化跨境人民幣業務流程和完善有關政策的通知)(the "**2013 PBOC Circular**"), which was amended on May 29, 2015. The 2013 PBOC Circular simplifies the operating procedures on current account cross-border Renminbi settlement, provision of Renminbi outbound loans and Renminbi cross-border security in favour of offshore entities by onshore non-financial institutions, and further published policies with respect to bank card related cross-border Renminbi clearing and issuance of offshore Renminbi bonds by onshore non-financial institutions. The 2013 PBOC Circular intends to improve the efficiency of cross-border Renminbi settlement and facilitate the use of cross-border Renminbi settlement by banks and enterprises.

On November 19, 2012, the SAFE promulgated the Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment(國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知)(the "**SAFE Circular on DI**"), which became effective on December 17, 2012 and was amended on May 4, 2015. According to the SAFE Circular on DI, the SAFE removes or adjusts certain administrative licensing items with regard to foreign exchange administration over direct investments to promote investment, including, but not limited to, the abrogation of SAFE approval for opening of and payment into foreign exchange accounts under direct investment accounts, the abrogation of SAFE approval for reinvestment with legal income generated within China of foreign investors, the simplification of the administration of foreign exchange reinvestments by foreign investment companies, and the abrogation of SAFE approval for purchase and external payment of foreign exchange under direct investment accounts.

On December 31, 2020, the PBOC, the NDRC, the Ministry of Commerce and other departments promulgated the Notice on Further Optimizing the Cross-border RMB Policies to Support the Stability of Foreign Trade and Foreign Investment(關於進一步優化跨境人民幣政策支持穩外貿穩外資的通知), to facilitate the settlement of trade and investment in Renminbi, simplify the cross-border Renminbi settlement process, optimize the management of cross-border Renminbi investment and financing and facilitate overseas institutions' use of RMB bank current accounts.

On April 3, 2024, the NDRC issued the Notice on the Issuance of the Guidelines for the Foreign Exchange Business under the Capital Account (2024)(關於印發《資本項目外匯業務指引(2024年版)》的通知) which became effective on May 6, 2024 to further optimize the management of the foreign exchange business for capital account and enhance the facilitation of cross-border investment and financing.

There is no assurance that the PRC government will continue to gradually liberalise controls over cross-border Renminbi remittance in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, the Company will need to source Renminbi offshore to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, DTC or the CMU (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Dealer nor the Arrangers take any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership in the CMU is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Compared with clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear and Clearstream), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the

relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, each have with the CMU.

DTC

DTC has advised the Issuer that it is a limited-purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC is owned by a number of its direct participants ("**Direct Participants**"), which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the U.S. Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in

beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy). Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Certificate, will be legended as set forth under "Transfer Restrictions".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

BOOK-ENTRY OWNERSHIP

Bearer Notes

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons may be deposited with a common depositary for Euroclear and/or Clearstream, a sub-custodian for the CMU or an Alternative Clearing System as agreed between the Issuer and the Dealer. Transfers of interests in such Temporary Global Notes or Permanent Global Notes will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream or, if appropriate, the Alternative Clearing System. Each Global Note will have an International Securities Identification Number ("**ISIN**") and a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

Registered Notes

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The Issuer may also apply to have Notes to be represented by a Global Certificate accepted for clearance through the CMU. Each Global Certificate will have an ISIN and a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number. Investors in Notes of such Series may hold their interests in a Global Certificate through Euroclear, Clearstream or the CMU (if applicable).

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by an Unrestricted Global Certificate and/or a Restricted Global Certificate. Each Global Certificate accepted for clearance in DTC will have a CUSIP number.

Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the Custodian, with whom the Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Notes held within the DTC system. Investors may hold their beneficial interests in a Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Issuer nor any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests. All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available in amounts specified in the applicable Pricing Supplement.

Payments through DTC

Payments in U.S. dollars of principal and interest in respect of a Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Note.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream, the CMU and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf

of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

In the case of Registered Notes to be cleared through Euroclear, Clearstream or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the distribution compliance period (as used in "Subscription and Sale") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by any Transfer Agent of a written certificate from Euroclear, Clearstream or DTC, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear, Clearstream by the holder of an interest in the Unrestricted Global Certificate to the Issuing and Paying Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear, Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear, Clearstream accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issuing and Paying Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear, Clearstream and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests in the relevant Global Certificates will be effected through the Issuing and Paying Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "Transfer Restrictions".

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or

participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

Although Euroclear, Clearstream and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Euroclear, Clearstream and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than the Hong Kong Monetary Authority or a depositary or its nominee for Clearstream and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Certificates – Restricted Global Certificates" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Certificates – Unrestricted Global Certificates". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

(i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

SUBSCRIPTION AND SALE

DEALER AGREEMENT

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated on or about June 4, 2025, (as may be further supplemented, amended and/or restated from time to time) (the "**Dealer Agreement**") between the Issuer, the Company, the Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers as of the date of the Dealer Agreement. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The Issuer will pay (and the Company shall ensure that the Issuer has sufficient funds to pay) each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer and the Company have agreed to reimburse each Arranger for certain of its expenses incurred in connection with the establishment of the Programme and any future update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Company have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arrangers, the Dealers or any of their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**") and may have performed certain Banking Services or Transactions for the Issuer, the Company and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time perform various Banking Services and/or Transactions for the Issuer, the Company and/or its affiliates in the ordinary course of the Issuer's, the Company's or their business for which they have received and will receive, fees and expenses. The Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

In connection with the offer and sale of the Notes, the Issuer, the Arrangers, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer or the Company, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being 'offered' should be read as including any offering of the Notes to the Issuer, the Company, the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Notes. If this is the case, liquidity of trading in the Notes may be constrained (see "Risk Factors – Risks Relating to the Market Generally – Notes issued under the Programme have no current active trading

market and may trade at a discount to their initial offering price and/or with limited liquidity''). The Issuer, the Company, the Arrangers and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors.

In the ordinary course of their various business activities, the Arrangers, the Dealers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer or the Company, including the Notes, and could adversely affect the trading prices of the Notes. The Arrangers, the Dealers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer and the Company, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments.

IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer or the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer or the Company, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or the Company or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place ''X-orders'' into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Company. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealer(s) named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer or the Company, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

SELLING RESTRICTIONS

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder. Restrictions with respect to Notes in bearer form are described further below.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it has not offered, sold or, in the case of Notes sold in Bearer form, delivered, and will not offer, sell or, in the case of Notes sold in Bearer form, deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Paying Agent, or in the case of Notes issued on a syndicated basis, the Dealer or Dealers, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Registered Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Circular has been prepared by the Issuer and the Company for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer, the Company and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person, other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Offering Circular by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior

written consent of the Issuer of any of their contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Unless the Pricing Supplement or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either "TEFRA C" or "not applicable", each Dealer has represented and agreed in relation to each Tranche of Notes in bearer form:

(i) except to the extent permitted under U.S. Treasury Regulations § 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**"):

    (a) it has not offered or sold, and during a 40 day restricted period shall not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and

    (b) it has not delivered and shall not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(ii) it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D;

(iii) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it shall only do so in accordance with the requirements of U.S. Treasury Regulations § 1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code);

(iv) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in sub-paragraphs (i), (ii) and (iii) on behalf of such affiliate or (b) agrees that it shall obtain from such affiliate for the benefit of the Issuer the representations contained in sub-paragraphs (i), (ii) and (iii); and

(v) that it has not and agrees that it will not enter into any written contract (other than a confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Dealer) has offered or sold, or during the restricted period will offer or sell, any Notes, except where pursuant to the contract the Dealer has obtained or will obtain from that party, for the benefit of the Issuer and the several Dealers, the representations contained in, and that party's agreement to comply with, the provisions of clauses (i), (ii), (iii) and (iv).

Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder, including TEFRA D.

To the extent that the Pricing Supplement or the Subscription Agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is "TEFRA C", under U.S. Treasury Regulations § 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**"), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in

connection with their original issuance of Notes in bearer form, it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder, including TEFRA C.

Each issuance of commodity-or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each relevant Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

    (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

    (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Member State**"), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(i) *Approved prospectus*: if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or the Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) *Approved prospectus*: if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or the Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;

(c) *Fewer than 150 offerees:* at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) *Other Exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

UNITED KINGDOM

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

HONG KONG

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**") other than (a) to Professional Investors; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

SINGAPORE

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any of the Notes in the PRC (for such purposes, not including Hong Kong, Macau SAR or Taiwan Region) or to residents of the PRC unless such offer or sale is made in compliance with all applicable laws and regulations of the PRC.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from

the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

BRITISH VIRGIN ISLANDS

No invitation will be made directly or indirectly to any person resident in the British Virgin Islands to subscribe for any Notes but the Notes may be acquired by British Virgin Islands persons who receive the offer of the Notes outside of the British Virgin Islands and in a manner which does not contravene the laws of the jurisdiction in which such offer is received.

TRANSFER RESTRICTIONS

RESTRICTED NOTES

Each purchaser of Restricted Notes, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acquiring such Restricted Notes for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of the Restricted Notes has been advised, that the sale of the Restricted Notes to it is being made in reliance on Rule 144A.

2. (i) The Restricted Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (d) pursuant to an effective registration statement under the Securities Act or (e) to the Issuer or the Guarantor or any of their respective affiliates, in each case in accordance with any applicable securities laws of any State of the United States and (ii) it will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of the Restricted Notes from it of the resale restrictions on the Restricted Notes.

3. The Restricted Notes, unless the Issuer determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

   THIS NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("**RULE 144**"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE NOTES.

4. If it is acquiring any Notes for the account of one or more QIBs the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

5. The purchaser understands that the Issuer, the Company, the Trustee, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

6. It understands that the Issuer, the Company, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it

represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

7. It understands that the Restricted Notes will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate or as the case may be, Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Upon the transfer, exchange or replacement of a Restricted Global Certificate or a restricted Certificate, or upon specific request for removal of the legend, the Issuer will deliver only a Restricted Global Certificate or one or more restricted Certificates that bear such legend or will refuse to remove such legend, unless there is delivered to the Issuer and the Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Any interest in a Restricted Global Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate will, upon transfer, cease to be an interest in a Restricted Global Certificate and become an interest in an Unrestricted Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Certificate.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

UNRESTRICTED NOTES

Each purchaser of Unrestricted Notes and each subsequent purchaser of such Unrestricted Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

2. It understands that such Unrestricted Notes and the Guarantee have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

3. It understands that the Unrestricted Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend in or substantially in the following form:

   "THIS NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF

THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."

4. It understands that the Issuer, the Company, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

5. It understands that the Unrestricted Notes will be represented by an Unrestricted Global Certificate, or as the case may be, a Global Note. Prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND U.S. GAAP

INTRODUCTION

Our consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with Chinese Accounting Standards, or PRC GAAP. Certain differences exist between PRC GAAP and U.S. GAAP which might be relevant to our financial information included herein.

The following is a general summary of certain differences between PRC GAAP and U.S. GAAP as applicable to us. The differences identified below are limited to those significant differences that are appropriate to our financial statements. We are responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of the summary. We have not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and U.S. GAAP and have not quantified such differences. Had any such quantification or reconciliation been undertaken by us, other potentially significant accounting and disclosure differences may be required that are not identified below. In addition, no attempt has been made to identify possible future differences between PRC GAAP and U.S. GAAP as a result of prescribed changes in accounting standard.

Regulatory bodies that promulgate PRC GAAP and U.S. GAAP have significant projects on-going that could affect future comparisons such as this one. Furthermore, no attempt has been made to identify future differences between PRC GAAP and U.S. GAAP that may affect the financial information as a result of transactions or events that may occur in the future. As a result, no assurance is provided that the following summary of differences between PRC GAAP and U.S. GAAP is complete.

In making an investment decision, you must rely upon your own examination of our financial information, the terms of the offering and other disclosure contained herein.

INVENTORIES

PRC GAAP only permits reversal when the circumstances where previously caused inventories to be written down below cost no longer exist. PRC GAAP requires the reversal to be recognized under asset impairment loss.

Under U.S. GAAP, a provision to write down inventories to market value cannot be reversed. If inventory value is written down to lower amount, the reduced amount becomes new cost for subsequent periods. Inventories may be stated above cost only in exceptional cases (e.g. precious metals).

INTANGIBLE ASSETS

Under PRC GAAP, when an intangible asset arises from development phase and the entity can demonstrate all the five criteria are met, the intangible shall be recognized:

- it is feasible technically to finish intangible assets for use or sale;
- it is intended to finish and use or sale the intangible assets;
- the usefulness of methods for intangible assets to generate economic benefits shall be proved;
- it is able to finish the development of the intangible assets; and
- the development of expenditures of the intangible assets can be reliably measured.

Under U.S. GAAP, all research and development expenditures (except those acquired in business combination) shall be charged to expense and disclosed in notes when incurred, because FASB considers future benefits from research and development to have too much uncertainty, and costs and benefits to be lack of necessary causal relationship. However, U.S. GAAP requires costs of producing software masters (for products to be sold, leased or otherwise marketed) subsequent to establishing technological feasibility to be capitalized. The capitalization ceases when the product is available for general release to customers.

PRC GAAP requires an intangible asset to be measured initially at cost. The initial measurement includes its purchase price and any directly attributable cost of preparing the asset for its intended use (e.g. import duties, professional fees).

U.S. GAAP requires initial measurement at fair value, however it goes on to refer the general concept of asset acquisition to D2-D7 of FAS 141(R), which states that assets are initially recognized based on their cost to the acquiring entity (generally including the transaction costs of the asset acquisition).

CONTINGENCY

Under PRC GAAP, a provision shall be recognized when:

- an entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Under U.S. GAAP, an estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met:

- information available before the financial statements are issued or are available to be issued indicates that it is probable an asset had been impaired or a liability had been incurred at the date of the financial statements; and
- the amount of loss can be reasonably estimated.

When a loss from contingency is charged to income, U.S. GAAP records either an increase in liability or a decrease in asset, while PRC GAAP record provision (a liability) although sometimes it takes the form of allowance against an asset (e.g., in the case of uncollectible receivables). However the basic principles as to whether and when a loss from contingency should be recognized are the same under these two systems.

Although these two systems use probable, what they mean by probable is different. PRC GAAP uses probable as ''more likely than not to occur,'' which is defined as greater than 50 per cent. U.S. GAAP uses probable as ''likely to occur.'' Although a numeric standard does not exist, practice generally considers an event that has 75 per cent. or greater likelihood of occurrence to be probable.

Because of the uncertainties surrounding contingencies, these two systems require ''best estimate'' as the amount to be recognized. However, they differ in practices as to what is a best estimate. PRC GAAP adopts a more statistical view on this matter. Although they consider the most likely outcome the anchor, they also weight in the influence of other outcomes to reach the best estimate. U.S. GAAP accepts the most likely outcome as the best estimate.

When no amount within the range of outcomes is a best estimate, under PRC GAAP, if there is a continuous range of possible outcomes and each point in that range is as likely as any other, the mid-point of the range (i.e. the statistically correct point) is used. When no amount within the range of outcome is a best estimate, U.S. GAAP chooses the minimum amount in the range to be the recognized amount.

PRC GAAP requires time value of money to be included when its effect is material. Under U.S. GAAP, only when the amount and timing of payments are fixed or reliably determinable, or when the obligation is a fair value obligation, may time value of money be included.

BORROWING COSTS

Under PRC GAAP, borrowing costs may include exchange differences that arise from foreign currency borrowings if they are regarded as an adjustment to interest costs.

Under U.S. GAAP, the exchange differences resulting from foreign currency borrowings are not capitalized and interest earned on the temporary investment of the funds borrowed to finance the production of the asset would not be netted against the borrowing costs.

STATEMENT OF CASH FLOWS

Under PRC GAAP, the direct method together with a supporting note reconciling operating result to cash flows arising from operations is the only permitted method.

U.S. GAAP requires an enterprise should report cash flows from operating activities using either: the direct method or the indirect method. If the direct method is used, then a reconciliation of net income and operating cash flow must be presented.

GOVERNMENT GRANTS

Under PRC GAAP, government grants and subsidies are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions have been complied with. When the grantor or subsidy relates to a specifically identifiable expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in current liabilities as deferred income and are credited to the statement of income on a straight line basis over the expected useful lives of the relevant asset.

Under U.S. GAAP, there is no pronouncement that specifically covers government grants and subsidies.

GENERAL INFORMATION

1. CLEARING SYSTEMS

The Notes may be accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC.

Acceptance by DTC of such Notes will be confirmed in the relevant Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. The relevant ISIN, the Common Code, the CUSIP number and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be set out in the relevant Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, New York 10041, United States of America. The address of any alternative clearing system will be specified in the relevant Pricing Supplement.

2. LISTING

Application has been made to the HKSE for the listing of the Programme, under which Notes may be issued during the 12 months after the date of this Offering Circular on the HKSE by way of debt issues to Professional Investors only, as described in this Offering Circular. Separate application may be made for the listing of the Notes on the Hong Kong Stock Exchange. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and if so, on which stock exchange(s). Notes to be listed on the HKSE will be traded on the HKSE in a board lot size of at least HK$500,000 (or its equivalent in other currencies).

3. LITIGATION

None of the Issuer, the Company nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings, nor is the Issuer, the Company or any of its subsidiaries aware that any such proceedings are pending or threatened, which are or might be material in the context of the issue of the Notes.

4. AUTHORISATIONS

The Issuer has obtained all necessary consents, approvals and authorisations as may be required in connection with the establishment of the Programme and the issue of this Offering Circular. The establishment of the Programme and the issue of Notes thereunder have been duly authorised by a resolution of the Board of Directors of the Issuer dated June 2, 2025. The Company has obtained all necessary consents, approvals and authorisations in connection with the provision of the Guarantee. The entry into the transaction documents in connection with the Programme (including the giving of the Guarantee for the Notes issued under the Programme) was authorised by resolutions of the Executive Meeting of the Chairman of the Board on May 12, 2025. PRC counsel to the Company have advised that no approvals or consents are required from any regulatory authorities or other relevant authorities in the PRC for the Company to provide the Guarantee except for the submission of the Deed of Guarantee for registration with the Beijing Branch of the SAFE within 15 working days after the execution of the Deed of Guarantee.

5. NO MATERIAL ADVERSE CHANGE

Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer, the Company or the Group since December 31, 2024, and no material adverse change in the financial condition or prospects of the Issuer, the Company or the Group since December 31, 2024.

6. AVAILABLE DOCUMENTS

For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Company and, in the case of the items mentioned in sub-paragraphs e, f, g and j below at the principal office of the Trustee:

(a) the articles of association of the Issuer and the Company;

(b) the consolidated financial statements of the Company as of and for the years ended December 31, 2022, 2023 and 2024 and a copy of the auditors' report of ShineWing, the Company's independent auditors;

(c) copies of the most recent annual report (including the financial statements) published by the Company;

(d) the Dealer Agreement;

(e) the Trust Deed (which includes the forms of the Global Notes, the Global Certificates, the Notes in definitive form, the Coupons, the Receipts and the Talons);

(f) the Agency Agreement;

(g) all Deeds of Guarantee which will be executed prior to the issuance of each series of the Notes;

(h) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular;

(i) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on any stock exchange, where the rules of such stock exchange so require; and

(j) each Pricing Supplement (save that Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Trustee as to its holding of Notes and identity).

7. AUDITOR

ShineWing Certified Public Accountants LLP, the Company's independent auditors has audited the consolidated financial statements of the Company for the years ended December 31, 2022, 2023 and 2024 as stated in their auditors' reports included elsewhere in this Offering Circular.

8. Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

9. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

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State Grid Corporation of China

Auditors' Report

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信永中和会计师事务所
ShineWing
certified public accountants
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AUDITORS' REPORT

XYZH/2025BJAA20F0298

State Grid Corporation of China

To the Board of Directors of State Grid Corporation of China:

I. Audit Opinions

We have audited the financial statements of State Grid Corporation of China and its subsidiaries ("the Group") for the year of 2022, 2023 and 2024, including the consolidated and the parent company's balance sheet as at December 31 of each year, the consolidated and the parent company's profit & loss statement, and the consolidated and the parent company's cash flow statement for the year of 2022, 2023 and 2024, and the notes to the financial statement.

In our opinion, the accompanying financial statements for the year of 2022, 2023 and 2024 are, in all material respects, in accordance with the Accounting Standards for Business Enterprises. Both the Consolidated Financial Statements and Parent Company Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's financial performance as at December 31 of each year and of the Group's and of the Parent Company's business operating results and cashflows for the year then ended.

II. Basis for Opinions

We conducted our audits in accordance with China Auditing Standards for CPAs. Our responsibilities under those standards are further described in the CPAs' Responsibilities for the Audits of the Financial Statements section of this report. We are independent of the Group in accordance with the China Code of Ethics for CPAs ("the Code"). We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises, and for

design, implement and maintain of such internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Group and Parent Company's ability of continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intend to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Group and Parent Company.

IV. CPAs' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Auditing Standards for CPAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Auditing Standards for CPAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of the internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

3. Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and/or Parent Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, further events or conditions may cause the Group and/or Parent Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

[Signature]

ShineWing Certified Public Accountants (LLP)

Certified Public Accountant of China

Certified Public Accountant of China

Beijing, CHINA

17 April 2025

CONSOLIDATED BALANCE SHEET

As at 2024/12/31 (with Comparative Totals as at 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China

Currency: RMB 1 Million Yuan

ITEM	NOTES	AS AT 2024/12/31	AS AT 2023/12/31	AS AT 2022/12/31
CURRENT ASSET:				
Cash and Cash Equivalents	VII(1)	69,849.77	98,546.25	118,925.97
△Provision of Settlement Fund		1,811.48	1,136.60	794.28
△Lendings to Banks and Other Financial Institutions		2,980.81	2,623.94	2,313.01
Financial Assets Held for Trading	VII(2)	87,014.80	80,943.05	72,466.82
Derivative Financial Assets		2,076.50	266.79	1,924.35
Notes Receivable	VII(3)	6,484.90	8,737.91	12,794.76
Accounts Receivables	VII(4)	269,696.85	268,002.67	268,236.83
Financing with Receivable		3,941.23	6,367.67	5,893.88
Advances to Suppliers	VII(5)	13,739.25	17,667.32	18,618.75
△Premiums Receivable		728.54	993.92	470.28
△Reinsurance Accounts Receivable		1,769.34	2,273.80	1,426.41
△Provisions of Reinsurance Premiums Receivable		2,200.13	1,868.75	1,488.89
Accounts Receivables - Central Managed Funds				
Other Receivables	VII(6)	11,921.53	17,183.20	20,346.65
Incl. Dividends Receivable		1,016.87	564.38	645.05
△Buying Back the Sale of Financial Assets		2,477.82	3,067.95	2,672.34
Inventories	VII(7)	108,414.83	140,076.34	154,320.92
Incl. Raw Materials		19,568.29	20,641.86	22,647.15
Finished Goods		7,702.94	7,753.96	11,622.97
Contract Assets	VII(8)	39,124.60	38,700.61	33,576.87
Assets Held-for-sale			10.15	74.71
Non-current Assets Due within One Year	VII(9)	22,015.96	25,067.59	17,224.91
Other Current Assets	VII(10)	82,917.52	78,188.23	69,317.50
TOTAL CURRENT ASSETS		**729,165.86**	**791,722.74**	**802,888.13**
NON-CURRENT ASSET:				
△Loans and Advances				
Debt Investments	VII(11)	67,722.74	56,277.03	32,201.97
Other debt Investments	VII(12)	45,860.66	25,493.78	38,732.87
Long-term Receivables	VII(13)	68,210.33	75,205.85	78,611.76
Long-term Equity Investment	VII(14)	201,351.79	202,887.60	192,630.62
Other Equity Instrument Investment		56,897.73	54,061.22	57,050.94
Other Non-Current Financial Asset				-
Investment Properties	VII(15)	14,986.10	14,144.72	13,405.33
Fixed Assets	VII(16)	3,810,312.64	3,553,284.25	3,385,748.76
Incl. Original Value of Fixed Assets		8,560,222.84	7,937,034.53	7,422,574.54
Accumulated Depreciation		4,749,866.64	4,383,634.37	4,036,596.95
Impairment Provision for Fixed Assets		1,670.69	1,611.09	1,113.26
Construction in Progress	VII(17)	474,976.25	436,008.08	395,324.99
Productive Biological Assets		2.84	3.52	10.62
Right-of-use Assets	VII(18)	16,887.37	15,817.83	15,539.35
Intangible Assets	VII(19)	117,760.06	119,075.33	112,360.33
Development Costs		6,103.01	7,246.19	5,456.19
Goodwill	VII(20)	16,385.86	18,574.66	18,214.12
Long-term Deferred Expenses		5,955.66	5,018.61	3,844.47
Deferred Tax Assets	VII(21)	92,997.86	76,336.59	67,876.05
Other Non-current Assets	VII(22)	97,030.77	92,712.40	73,870.57
TOTAL NON-CURRENT ASSETS		**5,093,441.67**	**4,752,147.65**	**4,490,878.92**
TOTAL ASSETS		**5,822,607.53**	**5,543,870.39**	**5,293,767.05**

Legal Representative: 张智刚印

Finance Officer: 陈西之印

Finance Manager: 谭真勇印

CONSOLIDATED BALANCE SHEET (CONT'D)

As at 2024/12/31 (with Comparative Totals as at 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China

Currency: RMB 1 Million Yuan

ITEM	NOTES	AS AT 2024/12/31	AS AT 2023/12/31	AS AT 2022/12/31
CURRENT LIABILITY:				
Short-term Borrowings	VII(23)	513,251.10	273,063.21	328,676.83
△Borrowings from Central Bank				
△Borrowings from Banks and Other Financial Institutions		3,518.00	1,780.72	505.03
Financial Liabilities Held for Trading		213.53	464.14	598.68
Derivative Financial Liabilities		501.64	106.85	120.60
Notes Payable	VII(24)	31,089.95	41,243.13	55,202.49
Accounts Payable	VII(25)	696,221.49	711,510.43	642,711.66
Advances from Customers	VII(26)	3,220.40	3,665.90	4,509.25
Contract Liabilities	VII(27)	218,834.16	247,399.75	303,371.29
△Financial Assets Sold for Repurchase		28,576.88	23,174.01	22,217.37
△Deposits from Customers and Interbank		6,165.91	14,408.28	34,334.13
△Securities Brokering		6,829.45	5,243.15	3,504.26
△Securities Underwriting				
Employee Benefits Payable		6,867.01	7,298.61	7,584.77
Incl. Wages Payable		1,715.59	1,810.96	1,709.57
Welfare Payable		1.23	1.70	11.83
Taxes and Surcharges Payable	VII(28)	32,576.15	32,822.09	40,400.42
Incl. Taxes Payable		30,578.67	30,163.49	11,614.71
Other Payables	VII(29)	358,665.20	356,073.63	339,243.92
Incl. Dividends Receivable		1,604.29	5,738.14	11,097.59
△Fees and Commissions Payable		383.16	488.30	598.47
△Reinsurance Accounts Payable		1,408.85	1,594.41	1,645.52
Liabilities Held-for-sale				
Non-current Liabilities Due within One Year	VII(30)	106,389.62	151,070.24	122,958.04
Other Current Liabilities		38,120.37	25,635.35	25,481.11
TOTAL CURRENT LIABILITIES		**2,052,824.87**	**1,897,042.20**	**1,933,663.84**
NON-CURRENT LIABILITY:				
△Provisions of Insurance Contract		7,422.56	6,836.97	6,280.33
Long-term Borrowings	VII(31)	516,038.20	539,247.17	399,944.45
Bonds Payable	VII(32)	213,658.10	246,415.91	261,750.28
Incl. Preference Shares				
Perpetual Debt				
Lease Liability	VII(33)	8,693.84	10,665.81	16,142.73
Long-term Payables	VII(34)	37,249.71	37,349.45	47,974.20
Long-term Employee Benefits Payable		1,005.11	2,701.40	10,999.69
Provisions	VII(35)	5,555.49	6,936.59	6,917.24
Deferred Income		129,325.71	108,902.49	86,606.28
Deferred Tax Liabilities	VII(21)	62,738.65	64,389.77	57,742.71
Other Non-Current Liabilities		121,863.15	95,235.52	71,248.55
TOTAL NON-CURRENT LIABILITIES		**1,103,550.52**	**1,118,681.08**	**965,606.46**
TOTAL LIABILITIES		**3,156,375.39**	**3,015,723.28**	**2,899,270.30**
Equity				
Paid-in Capital	VII(36)	1,932,343.32	1,833,941.43	1,765,784.86
State Capital		1,932,343.32	1,833,941.43	1,765,784.86
State-owned Corporate Capital				
Collective Capital				
Private Capital				
Foreign Capital				
#Less: Investment Returned				
Net Paid-in Capital		1,932,343.32	1,833,941.43	1,765,784.86
Other Equity Instrument				
Incl. Preference Shares				
Perpetual Debt				
Capital Reserve	VII(37)	247,998.56	242,353.94	225,786.78
Less: Treasury Stock				
Other Comprehensive Income		-46,089.20	-37,291.07	-42,358.69
Incl. Translation Difference of Foreign Currency Statements		-60,887.51	-41,731.04	-47,239.56
Special Reserves		9,866.22	5,413.73	530.46
Surplus Reserves	VII(38)	97,917.91	94,268.57	90,421.78
Incl. Statutory Surplus Reserve	VII(38)	97,917.91	94,268.57	90,421.78
Other Surplus Reserve				
△General Risk Reserves		6,984.09	6,766.39	6,557.19
Undistributed Profits	VII(39)	319,304.40	285,316.64	257,980.17
Total Equity Attributable to the Owners of Parent Company		2,568,325.30	2,430,769.63	2,304,702.55
*Minority Interests		97,906.84	97,377.48	89,794.20
Total Equity		**2,666,232.14**	**2,528,147.11**	**2,394,496.75**
TOTAL LIABILITIES AND EQUITY		**5,822,607.53**	**5,543,870.39**	**5,293,767.05**

Legal Representative:

Finance Officer:

Finance Manager:

CONSOLIDATED PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED 2024/12/31 (with Comparative Totals for the Year Ended 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China

Currency: RMB 1 Million Yuan

ITEM	NOTES	YEAR 2024	YEAR 2023	YEAR 2022
I. REVENUE		**3,945,928.33**	**3,864,623.16**	**3,573,242.15**
Incl. Operating Income	VII(40)	3,919,271.50	3,835,302.04	3,545,416.12
△Interest Income		6,108.55	5,934.89	5,359.41
△Premiums Earned		19,808.33	22,172.85	21,687.81
△Fees and Commissions Income		739.95	1,213.38	778.81
II. COST & EXPENSES		**3,869,292.04**	**3,794,675.75**	**3,515,663.16**
Incl. Operating Cost	VII(40)	3,667,364.19	3,588,683.97	3,362,408.07
△Interest Expenses		1,204.24	2,463.83	4,689.46
△Fees and Commissions Expenses		1,357.17	3,403.44	3,313.51
△Cash Surrender Amount		1,090.11	2,917.12	1,475.21
△Net Expenses of Claim Settlement		11,312.93	4,814.46	3,776.84
△Net Provisions of Insurance Contract Reserves		11,851.11	13,418.81	14,440.66
△Policy Dividend Expenses		132.37	513.95	608.63
△Reinsurance Expenses		34.57	23.73	20.62
Taxes and Surcharges		16,358.14	15,817.30	12,172.81
Selling Expenses		4,418.95	4,584.85	2,966.01
General & Administration Expenses		98,864.49	103,959.94	59,035.36
R&D Expenses		23,493.38	21,604.92	16,725.05
Financial Expenses		31,810.39	32,469.43	34,030.93
Including: Interest Expenses		35,018.68	33,380.37	32,906.98
Interest Income		6,899.65	7,481.35	5,248.75
Net Losses on Foreign Exchange ("-" for Net Gains)		-481.44	1,769.00	1,160.34
Others				
Add: Other Income		14,708.46	12,491.99	10,670.08
Investment Income ("-" for Losses)	VII(41)	21,635.19	17,632.48	23,726.80
Including: Income from Investments in Associates and Joint Ventures		13,231.61	12,411.98	12,465.12
Income from Derecognition of Financial Assets Measured at Amortized Cost			-6.43	-0.12
△Gains on Foreign Exchange ("-" for Losses)		2.23	2.91	40.41
Net Exposure Hedging Income ("-" for Losses)				
Gains from Changes in Fair Value ("-" for Losses)	VII(42)	1,644.07	-485.82	-2,032.62
Credit Impairment Loss ("-" for Losses)	VII(43)	-4,746.97	-2,340.97	-1,446.46
Impairment Loss on Assets ("-" for Losses)	VII(44)	-1,749.97	-1,459.18	-989.99
Gains from Asset Disposals ("-" for Losses)		1,267.18	1,021.41	654.07
III. OPERATING PROFITS ("-" FOR LOSSES)		**109,396.48**	**96,810.23**	**88,201.28**
Add: Non-operating Income	VII(45)	10,226.75	12,561.14	9,361.86
Incl. Government Grants		330.94	837.85	746.50
Less: Non-operating Expenses	VII(46)	13,576.04	12,437.58	10,839.15
IV. PROFIT BEFORE TAX ("-" FOR LOSSES)		**106,047.19**	**96,933.79**	**86,723.99**
Less: Income Tax Expenses	VII(47)	28,749.65	27,281.48	27,052.27
V. NET PROFIT ("-" FOR LOSSES)		**77,297.54**	**69,652.31**	**59,671.72**
1. Classification by Ownership				
Net Profit Attributable to Parent Company		72,274.48	64,253.65	55,783.31
*Net Profit Attributable to Minority Shareholders		5,023.06	5,398.66	3,888.41
2. Classification by Business Continuity				
Net Profit from Continuing Operations		77,297.54	69,652.31	59,671.72
Net Profit from Discontinued Operations				
VI. OTHER COMPREHENSIVE INCOME AFTER TAX		**-13,309.85**	**4,299.69**	**9,074.67**
Other Comprehensive Income Attributable to Parent Company After Tax	VII(48)	-9,463.19	3,565.73	6,953.52
1. Other Comprehensive Income Not Eligible to be Reclassified into Profit & Loss in Subsequent Periods		6,335.43	-262.08	-1,959.39
(1) Remeasurement of changes in defined benefit plans		527.47	-437.54	763.67
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method		653.53	61.78	475.06
(3) Changes in fair value of other equity instrument investments		5,161.31	114.81	-3,186.10
(4) Changes in fair value of enterprise's own credit risk		-6.88	-1.13	-12.02
(5) Others				
2. Other Comprehensive Income Eligible to be Reclassified into Profit & Loss		-15,798.62	3,827.81	8,912.91
(1) Other comprehensive income that can be transferred to profit and loss under the equity method		592.70	845.30	-185.00
(2) Changes in fair value of other debt investments		2,063.67	530.04	-373.63
(3) Amount of financial assets reclassified into other comprehensive income				
(4) Provision for credit impairment of other debt investments		4.35	-2.33	-5.21
(5) Cash flow hedging reserve (effective part of profit and loss of cash flow hedging)		1,450.65	-1,310.31	2,782.26
(6) Translation difference of foreign currency statements		-19,909.99	3,765.11	6,694.49
(7) Others				
*Other Comprehensive Income Attributable to Minority Shareholders After Tax		-3,846.66	733.96	2,121.15
VII. TOTAL COMPREHENSIVE INCOME		**63,987.69**	**73,952.00**	**68,746.39**
Total Comprehensive Income Attributable to Parent Company		62,811.29	67,819.38	62,736.83
*Total Comprehensive Income Attributable to Minority Shareholders		1,176.40	6,132.62	6,009.56

Legal Representative: 张刚印智

Finance Officer: 陈之西印

Finance Manager: 谭勇印真

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 2024/12/31 (with Comparative Totals for the Year Ended 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China

Currency: RMB 1 Million Yuan

ITEM	NOTES	YEAR 2024	YEAR 2023	YEAR 2022
I. CASH FLOWS FROM OPERATING ACTIVITIES				
Proceeds from Sale of Goods and Rendering of Services		4,404,250.71	4,285,852.54	3,855,259.19
△Net Increase in Deposits from Customers and Interbank		-6,870.06	-20,004.21	-14,341.33
△Net Increase in Borrowings from Central Bank		-	-	-
△Net Increase in Borrowings from Other Financial Institutions		1,000.00	-4,790.00	6,039.90
△Proceeds from Premiums of Original Insurance Contracts		23,418.38	23,833.13	23,821.03
△Net Amount of Reinsurance Business		-1,280.83	-1,251.94	117.52
△Net Increase in Insured's Deposits and Investments		-775.34	-421.62	32.64
△Net Increase in Disposal of Financial Assets at Fair Value through Profit or Loss		-897.99	-3,862.18	-680.96
△Cash Received for Interest, Fees and Commissions Income		4,346.55	3,712.77	4,025.45
△Net Increase in Borrowings		730.00	1,270.00	-1,000.00
△Net Increase in Repurchasing		-1,288.42	1,085.99	483.96
△Net Cash Received from Securities Brokering		1,552.43	-1,129.09	-230.63
Tax Refund Received		3,276.67	5,849.92	26,502.14
Other Proceeds from Operating Activities		339,748.04	307,391.62	341,777.92
TOTAL CASH INFLOWS FROM OPERATING ACTIVITIES		**4,767,210.14**	**4,597,536.93**	**4,241,806.83**
Payments for Goods and Services		3,227,529.53	3,139,663.23	2,984,433.51
△Net Increase in Loans and Advances		-	-4,884.83	3,134.14
△Net Increase in Deposits with Central Bank and Other Financial Institutions		-2,742.83	1,907.52	-17,322.90
△Payment for Claim Settlements on Original Insurance Contract		12,323.00	4,677.19	4,979.32
△Net Increase in Funds Lent		-	-	-
△Payment for Interests, Fees and Commissions		2,519.24	5,776.74	6,973.64
△Payment for Policy Dividends		463.57	93.83	97.28
Payment to and for Employees		455,889.28	431,409.77	279,242.45
Payment of Various Taxes		176,874.24	167,751.84	150,409.46
Other Payments for Operating Activities		366,759.74	369,620.99	420,989.62
TOTAL CASH OUTFLOWS FROM OPERATING ACTIVITIES		**4,239,615.77**	**4,116,016.28**	**3,832,936.52**
NET CASH FLOWS FROM OPERATING ACTIVITIES	VII(49)	**527,594.37**	**481,520.65**	**408,870.31**
II. CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Disposal of Investments		189,365.12	198,300.56	203,613.24
Cash Received from Return on Investment		17,158.08	13,867.61	15,205.44
Net Proceeds from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets		5,020.92	5,244.89	4,037.77
Net Proceeds from Disposal of Subsidiaries and Other Business Units		387.91	452.05	74.60
Other Proceeds from Investing Activities		36,104.65	71,264.30	33,166.14
TOTAL CASH INFLOWS FROM INVESTING ACTIVITIES		**248,036.68**	**289,129.41**	**256,097.19**
Payment for Acquisition of Fixed Assets, Intangible Assets and Other Long-term Assets		702,277.73	584,787.69	534,459.80
Payment for Acquisition of Investment		203,822.05	194,432.86	154,130.24
△Net Increase in Pledged Loans		54.76	67.19	112.71
Net Payment for Acquisition of Subsidiaries and Other Business Units			93.66	1,529.28
Other Payments for Investing Activities		12,769.00	4,503.69	5,833.32
TOTAL CASH OUTFLOWS FROM INVESTING ACTIVITIES		**918,923.54**	**783,885.09**	**696,065.35**
NET CASH FLOWS FROM INVESTING ACTIVITIES		**-670,886.86**	**-494,755.68**	**-439,968.16**
III. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Investors		16,754.99	19,245.04	8,333.30
*Incl. Cash Received by Subsidiaries from Minority Shareholders' Investment		4,810.89	7,916.86	1,811.78
Proceeds from Borrowings		983,732.22	895,708.73	838,145.71
Other Proceeds from Financing Activities		8,906.33	8,981.06	2,093.63
TOTAL CASH INFLOWS FROM FINANCING ACTIVITIES		**1,009,393.54**	**923,934.83**	**848,572.64**
Repayment of Borrowings		815,285.19	820,184.89	757,064.98
Payment for Dividends, Profit Distributions and Interest		63,034.31	62,131.75	51,821.59
*Incl. Dividends and Profits Distributions paid by Subsidiaries to Minority Shareholders		6,250.74	3,701.43	3,226.65
Other Payments for Financing Activities		21,216.43	11,809.96	12,319.10
TOTAL CASH OUTFLOWS FROM FINANCING ACTIVITIES		**899,535.93**	**894,126.60**	**821,205.67**
NET CASH FLOWS FROM FINANCING ACTIVITIES		**109,857.61**	**29,808.23**	**27,366.97**
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		**-2,046.08**	**895.46**	**2,416.33**
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	VII(49)	**-35,480.96**	**17,468.66**	**-1,314.55**
Add: Beginning Balance of Cash and Cash Equivalents	VII(49)	93,953.15	76,484.49	77,799.04
VI. ENDING BALANCE OF CASH AND CASH EQUIVALENTS	VII(49)	**58,472.19**	**93,953.15**	**76,484.49**

Legal Representative:

Finance Officer:

Finance Manager:

Balance Sheet (Parent Company)

As at 2024/12/31 (with Comparative Totals as at 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China (Parent Company) Currency: RMB 1 Million Yuan

ITEM	AS AT 2024/12/31	AS AT 2023/12/31	AS AT 2022/12/31
CURRENT ASSET:			
Cash and Cash Equivalents	14,667.03	42,806.77	52,141.57
Financial Assets Held for Trading			
Derivative Financial Assets			
Notes Receivable	40.34	139.35	123.74
Accounts Receivables	68,858.02	69,191.20	65,806.96
Financing with Receivable			
Advances to Suppliers	71.04	66.24	68.68
Accounts Receivables - Central Managed Funds			243.01
Other Receivables	410,700.49	322,641.63	307,701.81
Incl. Dividends Receivable			
Inventories	1,058.33	918.61	643.94
Incl. Raw Materials	1,052.42	900.53	618.95
Finished Goods			
Contract Assets	807.12	472.96	408.94
Assets Held-for-sale			
Non-current Assets Due within One Year	121,126.91	97,975.56	68,426.56
Other Current Assets	5,262.69	3,366.10	1,620.44
TOTAL CURRENT ASSETS	622,591.97	537,578.42	497,185.65
NON-CURRENT ASSET:			
Debt Investments	806.24	806.32	300.00
Other debt Investments			
Long-term Receivables	449,216.52	360,915.24	321,955.79
Long-term Equity Investment	1,737,973.38	1,630,934.47	1,566,968.45
Other Equity Instrument Investment	1,601.38	1,621.38	1,621.38
Other Non-Current Financial Asset			
Investment Properties	191.07	189.24	203.50
Fixed Assets	294,942.37	293,518.82	290,176.40
Incl. Original Value of Fixed Assets	599,607.77	576,702.71	550,612.55
Accumulated Depreciation	304,788.95	283,291.10	260,524.79
Impairment Provision for Fixed Assets			
Construction in Progress	39,060.13	20,141.42	10,979.68
Productive Biological Assets			
Right-of-use Assets	44.57	130.89	211.94
Intangible Assets	3,614.65	3,283.76	3,186.57
Development Costs	129.52	86.88	91.21
Goodwill			
Long-term Deferred Expenses	11.34	15.46	8.53
Deferred Tax Assets	102.67	41.73	116.26
Other Non-current Assets	10,533.99	7,532.29	1,873.32
TOTAL NON-CURRENT ASSETS	2,538,227.83	2,319,217.90	2,197,693.03
TOTAL ASSETS	3,160,819.80	2,856,796.32	2,694,878.68

Legal Representative: Finance Officer: Finance Manager:

Balance Sheet (Parent Company) (CONT'D)

As at 2024/12/31 (with Comparative Totals as at 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China (Parent Company)

Currency: RMB 1 Million Yuan

ITEM	AS AT 2024/12/31	AS AT 2023/12/31	AS AT 2022/12/31
CURRENT LIABILITY:			
Short-term Borrowings	442,201.88	182,206.02	251,648.35
Financial Liabilities Held for Trading			
Derivative Financial Liabilities			
Notes Payable			
Accounts Payable	68,376.99	69,106.54	63,050.69
Advances from Customers	57.94	51.47	47.17
Contract Liabilities	0.18	0.52	3.50
Employee Benefits Payable	77.26	78.42	79.61
Incl. Wages Payable		1.27	1.00
Welfare Payable			
Taxes and Surcharges Payable	523.30	491.80	1,104.02
Incl. Taxes Payable	514.24	484.61	1,015.05
Other Payables	93,378.14	96,555.52	107,203.84
Incl. Dividends Receivable		4,663.14	9,940.98
Liabilities Held-for-sale			
Non-current Liabilities Due within One Year	49,072.65	85,660.51	61,324.62
Other Current Liabilities	0.01	0.21	0.07
TOTAL CURRENT LIABILITIES	**653,688.35**	**434,151.01**	**484,461.87**
NON-CURRENT LIABILITY:			
Long-term Borrowings	315,538.95	334,534.23	204,854.41
Bonds Payable	85,815.09	100,617.41	105,108.87
Incl. Preference Shares			
Perpetual Debt			
Lease Liability	1.32	129.67	215.03
Long-term Payables	8,231.10	9,653.71	6,416.23
Long-term Employee Benefits Payable			334.09
Provisions			
Deferred Income	900.60	484.00	417.08
Deferred Tax Liabilities	228.61	335.72	366.83
Other Non-Current Liabilities	25,800.00	8,600.00	
TOTAL NON-CURRENT LIABILITIES	**436,515.67**	**454,354.74**	**317,712.54**
TOTAL LIABILITIES	**1,090,204.02**	**888,505.75**	**802,174.41**
Equity			
Paid-in Capital	1,932,343.32	1,833,941.43	1,765,784.86
State Capital	1,932,343.32	1,833,941.43	1,765,784.86
State-owned Corporate Capital			
Collective Capital			
Private Capital			
Foreign Capital			
#Less: Investment Returned			
Net Paid-in Capital	1,932,343.32	1,833,941.43	1,765,784.86
Other Equity Instrument			
Incl. Preference Shares			
Perpetual Debt			
Capital Reserve	29,931.70	28,638.78	26,979.73
Less: Treasury Stock			
Other Comprehensive Income	-5.34	4.31	
Incl. Translation Difference of Foreign Currency Statements			
Special Reserves	447.39	439.98	
Surplus Reserves	97,917.91	94,268.57	90,421.78
Incl. Statutory Surplus Reserve	97,917.91	94,268.57	90,421.78
Other Surplus Reserve			
Undistributed Profits	9,980.80	10,997.50	9,517.90
Total Equity	**2,070,615.78**	**1,968,290.57**	**1,892,704.27**
TOTAL LIABILITIES AND EQUITY	**3,160,819.80**	**2,856,796.32**	**2,694,878.68**

Legal Representative: 张刚智印

Finance Officer: 陈之西印

Finance Manager: 谭勇真印

PROFIT & LOSS STATEMENT (PARENT COMPANY)

FOR THE YEAR ENDED 2024/12/31 (with Comparative Totals for the Year Ended 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China (Parent Company) Currency: RMB 1 Million Yuan

ITEM	YEAR 2024	YEAR 2023	YEAR 2022
I. REVENUE	**612,430.27**	**568,242.81**	**515,363.57**
Incl. Operating Income	612,430.27	568,242.81	515,363.57
II. COST & EXPENSES	**616,015.07**	**563,851.56**	**511,694.82**
Incl. Operating Cost	596,528.14	546,397.36	495,106.58
Taxes and Surcharges	483.94	733.34	498.37
Selling Expenses			
General & Administration Expenses	2,207.66	1,967.77	1,854.04
R&D Expenses	396.21	371.23	239.06
Financial Expenses	16,399.12	14,381.86	13,996.77
Including: Interest Expenses	16,454.52	14,169.16	13,300.55
Interest Income	182.50	48.49	207.01
Net Losses on Foreign Exchange ("-" for Net Gains)	-0.49	0.96	-1.47
Add: Other Income	27.44	34.78	42.36
Investment Income ("-" for Losses)	44,624.66	39,924.92	35,599.97
Including: Income from Investments in Associates and Joint Ventures	259.65	258.53	924.33
Income from Derecognition of Financial Assets Measured at Amortized Cost			
△Gains on Foreign Exchange ("-" for Losses)			
Net Exposure Hedging Income ("-" for Losses)			
Gains from Changes in Fair Value ("-" for Losses)			
Credit Impairment Loss ("-" for Losses)	-11.48	2.57	63.66
Impairment Loss on Assets ("-" for Losses)			
Gains from Asset Disposals ("-" for Losses)	0.02	0.00	
III. OPERATING PROFITS ("-" FOR LOSSES)	**41,055.84**	**44,353.52**	**39,374.74**
Add: Non-operating Income	224.36	195.86	64.95
Incl. Government Grants	1.12	0.10	6.66
Less: Non-operating Expenses	333.50	469.40	410.79
IV. PROFIT BEFORE TAX ("-" FOR LOSSES)	**40,946.70**	**44,079.98**	**39,028.90**
Less: Income Tax Expenses	4,453.33	5,612.03	4,752.40
V. NET PROFIT ("-" FOR LOSSES)	**36,493.37**	**38,467.95**	**34,276.50**
1. Net Profit from Continuing Operations	36,493.37	38,467.95	34,276.50
2. Net Profit from Discontinued Operations			
VI. OTHER COMPREHENSIVE INCOME AFTER TAX	**-9.65**	**4.31**	
1. Other Comprehensive Income Not Eligible to be Reclassified into Profit & Loss in Subsequent Periods	-6.83	4.31	
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method	-6.83	4.31	
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of enterprise's own credit risk			
(5) Others			
2. Other Comprehensive Income Eligible to be Reclassified into Profit & Loss	-2.82		
(1) Other comprehensive income that can be transferred to profit and loss under the equity method	-2.82		
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve (effective part of profit and loss of cash flow hedging)			
(6) Translation difference of foreign currency statements			
(7) Others			
VII. TOTAL COMPREHENSIVE INCOME	**36,483.72**	**38,472.26**	**34,276.50**

Legal Representative: Finance Officer: Finance Manager:

CASH FLOW STATEMENT (PARENT COMPANY)

FOR THE YEAR ENDED 2024/12/31 (with Comparative Totals for the Year Ended 2023/12/31 and 2022/12/31)

Prepared by: State Grid Corporation of China (Parent Company)

Currency: RMB 1 Million Yuan

ITEM	YEAR 2024	YEAR 2023	YEAR 2022
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Sale of Goods and Rendering of Services	655,206.60	597,512.40	521,508.19
Tax Refund Received	55.47	63.06	8,115.02
Other Proceeds from Operating Activities	2,148.08	2,066.12	5,665.70
TOTAL CASH INFLOWS FROM OPERATING ACTIVITIES	**657,410.15**	**599,641.58**	**535,288.91**
Payments for Goods and Services	607,008.59	539,635.74	470,034.59
Payment to and for Employees	4,770.45	4,700.23	3,843.34
Payment of Various Taxes	7,987.04	11,524.13	8,438.24
Other Payments for Operating Activities	2,559.39	9,133.31	11,801.46
TOTAL CASH OUTFLOWS FROM OPERATING ACTIVITIES	**622,325.47**	**564,993.41**	**494,117.63**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**35,084.68**	**34,648.17**	**41,171.28**
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Disposal of Investments	18.84	9.12	3.00
Cash Received from Return on Investment	44,531.39	40,270.09	34,925.21
Net Proceeds from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	101.72	156.95	101.23
Net Proceeds from Disposal of Subsidiaries and Other Business Units			
Other Proceeds from Investing Activities	616,097.70	405,692.06	314,045.09
TOTAL CASH INFLOWS FROM INVESTING ACTIVITIES	**660,749.65**	**446,128.22**	**349,074.53**
Payment for Acquisition of Fixed Assets, Intangible Assets and Other Long-term Assets	45,402.84	43,540.00	28,563.85
Payment for Acquisition of Investment	7,500.00	6,726.51	4,920.00
Net Payment for Acquisition of Subsidiaries and Other Business Units			
Other Payments for Investing Activities	824,961.25	490,370.42	472,501.03
TOTAL CASH OUTFLOWS FROM INVESTING ACTIVITIES	**877,864.09**	**540,636.93**	**505,984.88**
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-217,114.44**	**-94,508.71**	**-156,910.35**
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Investors			
*Incl. Cash Received by Subsidiaries from Minority Shareholders' Investment			
Proceeds from Borrowings	817,473.61	680,009.38	576,785.00
Other Proceeds from Financing Activities	6,951.82	4,254.98	36,044.73
TOTAL CASH INFLOWS FROM FINANCING ACTIVITIES	**824,425.43**	**684,264.36**	**612,829.73**
Repayment of Borrowings	629,467.73	594,346.70	492,384.62
Payment for Dividends, Profit Distributions and Interest	39,778.80	38,324.39	32,559.55
*Incl. Dividends and Profits Distributions paid by Subsidiaries to Minority Shareholders			
Other Payments for Financing Activities	1,288.93	1,067.55	1,088.35
TOTAL CASH OUTFLOWS FROM FINANCING ACTIVITIES	**670,535.46**	**633,738.64**	**526,032.52**
NET CASH FLOWS FROM FINANCING ACTIVITIES	**153,889.97**	**50,525.72**	**86,797.21**
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	**0.05**	**0.02**	**1.29**
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	**-28,139.74**	**-9,334.80**	**-28,940.57**
Add: Beginning Balance of Cash and Cash Equivalents	42,806.77	52,141.57	81,082.14
VI. ENDING BALANCE OF CASH AND CASH EQUIVALENTS	**14,667.03**	**42,806.77**	**52,141.57**

Legal Representative: 张智刚印

Finance Officer: 陈之西印

Finance Manager: 谭真勇印

State Grid Corporation of China

Notes to the financial statements for the years 2022-2024

(All amounts are in millions of RMB unless otherwise stated)

I. Background of the Company

1. Enterprise History, Place of Registration, Organizational Form, and Headquarters Address

State Grid Corporation of China (hereinafter referred to as "the Company") was established on 13 May 2003. It is a state-owned enterprise set up as a result of the former State Power Corporation reorganization, in accordance with the *Reply from the State Council on Issues Relating to the Formation of State Grid Corporation* (Guo Han [2003] No. 30), *Notice on the Issuance of the Scheme for the Establishment of the State Grid Corporation and the Articles of Association of the State Grid Corporation* (SETC Power [2003] No. 268) issued by the former State Economic and Trade Commission (SETC) and other provisions. It is a wholly state-owned company under the direct management of the central government.

On 30 November 2017, the Company completed corporate reforms and registered the changes with the State Administration for Industry and Commerce (SAIC) after receiving approval from the State-owned Asset Supervision and Administration Commission (SASAC). As a result of the reform, the Company has restructured itself from an entity owned by the whole people to a wholly state-owned enterprise, and renamed itself from “State Grid Corporation” into “State Grid Corporation Limited”. Corporate Unified Social Credit Code: 9111000071093123XX, Place of Registration: 86 West Chang’an Street, Xicheng District, Beijing, Legal Representative: Zhang Zhigang.

On 31 December 2024, the registered capital of the Company was RMB 829,500.000,000.00, and on 22 January 2025, the registered capital of the Company was changed to RMB 1,304,520,144,290.54.

2. Business Nature and Main Business Activities

With investment, construction, and operation of power grids as its core business, the Company undertakes the fundamental mission of ensuring a secure, economic, clean, and sustainable power supply. The Company's business network covers 26 provinces (including autonomous regions and municipalities directly controlled by the central government), with a power supply service area covering 88% of the national land area and serving more than 1.10 billion people. Scope of business: power transmission (valid until 25 January 2026), power supply (approved power supply zones), dispatching labor for overseas projects appropriate to

its strength, scale and performance, industrial investment and business management, scientific research, technological development, information and communication on power production and dispatch, consulting services related to power supply, import and export business, contracting of overseas projects and domestic international bidding, export of equipment and materials required for the above-mentioned overseas projects, and holding various types of productive enterprises in foreign countries. (Market entities shall choose their own business projects and carry out business activities in accordance with the law. For projects subject to approval by law, the business activities shall be carried out in accordance with the approved contents after approval by relevant departments; it shall not engage in the business activities of projects prohibited and restricted by national and municipal industrial policies.)

3. Name of Controlling Shareholder

The controlling shareholder of the Company is the State-owned Assets Supervision and Administration Commission of the State Council.

II. BASIS OF FINANCIAL STATEMENTS PREPARATION

The Group's financial statements have been prepared on a going concern basis, based on transactions and events that have occurred, in accordance with the *Accounting Standards for Business Enterprises* and related regulations issued by the Ministry of Finance, and based on the accounting policies and estimates described in "Note IV. Critical Accounting Policies and Accounting Estimates" herein.

III. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the Group's financial position, operation results, cash flows, and other relevant information.

IV. CRITICAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting Period

The accounting period of the Group is from 1 January to 31 December of the calendar year.

2. Functional Currency

The Group used RMB as the functional currency for bookkeeping purposes.

3. Basis of Accounting and Principle of Measurement

The Group uses the accrual basis of accounting. Historical costs are adopted as the basis of measurement, except for items such as financial assets held for trading, which are measured at fair value.

4. Business Combination

Business combinations are categorized into business combinations under common control and business combinations not under common control.

Assets acquired and liabilities assumed in business combinations under common control are measured at the acquisition-date book value reported in the consolidated financial statements of the ultimate controlling entity by the Group, as the acquirer. The difference between the book value of the net assets acquired and the book value of the consideration paid for the combination is adjusted against capital reserve. If the capital reserve is not sufficient to cover the reduction, retained earnings are adjusted.

Identifiable assets acquired, liabilities, and contingent liabilities assumed in a business combination not under common control are measured at acquisition-date fair value. The acquisition cost is calculated as the sum of the fair value of the cash or non-cash assets paid, liabilities issued or assumed, and equity securities issued by the Group to obtain control of the acquiree at the date of acquisition, and all directly related costs incurred in the business combination. (For business combinations achieved in stages through multiple exchange transactions, the acquisition cost is the sum of the costs of each individual transaction). Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable net assets acquired, the difference is treated as goodwill. Where consideration is less than the fair value of acquired net assets, the fair value of each identifiable asset, liability, and contingent liability acquired in the combination, as well as the fair value of non-cash assets or equity securities issued in consideration of the combination, are first reviewed. If, after the review, the consideration paid for a business acquisition is still less than the fair value of the identifiable net assets acquired, the difference is recognized in the Profit & Loss Statement as non-operating income in the accounting period in which the combination occurs.

5. Method for the Preparation of Consolidated Financial Statements

(1) Principles for the Determination of the Scope of Consolidation

The Group includes all its controlled subsidiaries and structural entities in the scope of the consolidated financial statements.

(2) Principles, Procedures, and Methods of Consolidated Financial Statements Preparation

In preparation of consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiary and the Company are inconsistent, the financial statements of the subsidiary shall be adjusted according to the accounting policies or accounting periods of the Company.

In preparing the consolidated financial statements, all major intragroup transactions, current balances, and unrealized profits within the scope of consolidation have been eliminated. Equities of the subsidiary that is not attributable to the parent company, net profit, other comprehensive income and total comprehensive income that attributable to minority shareholders, are reported as "Minority Interests, Net Profit Attributable to Minority Shareholders, Other Comprehensive Income Attributable to Minority Shareholders and Total Comprehensive Income Attributable to Minority Shareholders" in the consolidated financial statements respectively.

For subsidiaries acquired in a business combination under common control, their business operation results and cash flows are included in the consolidated financial statements since the beginning of the period in which the combination takes place. When preparing the comparative consolidated financial statements, adjustments are made to relevant items of last year's financial statements as if the reporting entity formed as a result of the merger has been in existence ever since the time when the ultimate controlling entity gained control.

If the equity interest in an investee under common control is acquired step by step through multiple transactions, ultimately resulting in a business combination, additional disclosure of the treatment in the consolidated financial statements shall be made in the reporting period in which the control is acquired. For example, if the equity interest in an investee under the common control is acquired step by step through multiple transactions, ultimately resulting in a business combination, adjustments shall be made when preparing the consolidated financial statements, as if the reporting entity has been in existence under current state ever since the time when the ultimate controlling entity gains the control. When preparing the comparative financial statements, the assets and liabilities of the acquiree as at the date no earlier than the time when the Group and the merged entity are under the common control shall be consolidated into the Group's comparative consolidated financial statements. The increment of net assets due to the consolidation shall be adjusted against relevant equity items. In order to avoid double calculation of the net assets of the acquiree, relevant profit and loss, other comprehensive income and other changes in net assets recognised regarding the long-term equity investments held by the Group before the combination, for the period from the date of acquiring the original equity and the date when the Group and the acquiree are under the common control whichever is later, to the

acquisition date, shall be used to offset against the balance of the retained earnings at the beginning of the comparative statement period and the profits and losses for the current period.

For subsidiaries acquired by business combination not under common control, the operating results and cash flow shall be included in the consolidated financial statements from the date when the Group obtains the control. When preparing the consolidated financial statements, the financial statements of the subsidiaries shall be adjusted on the basis of the fair value of the identifiable assets, liabilities, and contingent liabilities determined on the acquisition date.

If the equity interest in an investee under the common control is acquired step by step through multiple transactions, ultimately resulting in a business combination, additional disclosure of the treatment in the consolidated financial statements shall be made in the reporting period in which the control is acquired. For example, if the equity interest in an investee not under the common control is acquired step by step through multiple transactions, ultimately resulting in a business combination, when preparing the consolidated financial statements, investment of the acquirer in the acquiree before the acquisition date shall be reassessed to the fair value as at the acquisition date with any differences to the book value charged towards the investment income of the current period. Other comprehensive income under the equity method and other changes in owner's equity other than net profit and loss, other comprehensive income, and profit distribution shall be converted into investment income of the reporting period when the acquisition occurs. Other comprehensive income arising from the change of net liabilities or net assets of the defined benefit plans re-measured by the investee is excluded.

The Group disposes of part of the long-term equity investment of the subsidiary without losing control. In the consolidated financial statements, the difference between the disposal price and the net asset share of the subsidiary continuously calculated from the purchase date or the merger date corresponding to the disposal of the long-term equity investment shall be adjusted to the capital premium or share premium. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

If the Group loses control of the investee due to the disposal of part of the equity investment, the remaining equity shall be re-measured according to its fair value on the date of loss of control in the preparation of the consolidated financial statements. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, less the share of the net assets of the original subsidiary calculated continuously from the purchase date or the merger date according to the original

shareholding ratio, shall be included in the investment profit or loss of the period when the control is lost, and the goodwill shall be offset at the same time. Other comprehensive income related to the equity investment of the original subsidiary shall be converted into the current investment profit or loss when the control is lost.

If the Group disposes of the equity investment of the subsidiary step by step through multiple transactions until losing the control, and if the transactions of disposing of the equity investment of the subsidiary until losing control belong to a package deal, the transactions shall be treated as a single transaction of disposing the subsidiary and losing the control. However, before the loss of control, the difference between each disposal price and the net asset share of the subsidiary corresponding to the disposal investment is recognized as other comprehensive income in the consolidated financial statements and transferred to the investment profit or loss of the period when the control is lost.

6. Classification of Joint Venture Arrangement and Accounting Treatment of Joint Operation

The joint venture arrangement of the Group includes joint operation and joint venture. For joint operation projects, the Group, as the joint venture party in joint operation, recognizes the assets and liabilities held separately, and the assets and liabilities held by shares, and recognizes the relevant income and expenses separately or by shares according to relevant agreements. Where the purchase or sale of assets does not constitute a business with the joint operation, only part of the profits and losses arising from the transaction attributable to other participants in the joint operation shall be recognized.

7. Recognition of Cash and Cash Equivalents

Cash in the Group's cash flow statement refers to cash on hand and deposits ready for payment at any moment. The cash equivalents in the Group's cash flow statement are defined as those investments with a holding term of less than 3 months, high liquidity, easily convertible into a known amount of cash, and bear a low risk of fluctuation in value.

8. Accounting Treatment and Converting Methods of Foreign Currency Transactions

(1) Transactions in Foreign Currency

The Group's foreign currency transactions are translated into RMB amounts at the spot exchange rates (or actual situation) at the transaction date. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at the balance sheet date. The resulting translation differences are recognized directly in profit or loss for the current period, except for exchange differences arising from

special borrowings in foreign currencies for the purpose of acquiring or producing assets eligible for capitalization, which are treated on a capitalization basis.

(2) Translation of Foreign Currency Financial Statements

Assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate on the balance sheet date, while owner's equity items are translated at the spot exchange rate at the time of business occurrence, except for undistributed profits. Income and expenses in the income statement are translated at the spot exchange rate (or actual situation) on the transaction date. The translation difference of foreign currency statements arising from the above translation shall be listed in the owner's equity "Other Comprehensive Income" item. Foreign currency cash flow is translated at the spot exchange rate (or actual situation) on the date of cash flow. The impact of exchange rate changes on cash is shown separately in the cash flow statement.

9. Financial Instruments

(1) Financial Assets

A financial asset or financial liability is recognized when the Group becomes a party to a financial instrument contract.

1）Classification, Recognition, and Measurement of Financial Assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Group classifies its financial assets at initial recognition into: financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

The Group classifies financial assets as financial assets at amortized cost if both the following conditions are met: ① the business model for managing the financial asset is to collect contractual cash flows; ② as stipulated by the financial asset's contract, the cash flows generated on a specific date are only for the payment of principal and interest based on the outstanding principal amount. Such financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount and amortized cost for subsequent measurement. Such financial assets that are not part of any hedging relationship are recognized in profit or loss for the period when amortized, impaired, exchange gains and losses generated, and derecognized in accordance with the effective interest rate method. Such financial assets of the Group include: cash and cash equivalents, loans, receivables, contract assets, debt investments, etc.

The Group classifies financial assets at fair value through other comprehensive income if both the following conditions are met: ① the business model for managing such financial

assets is to target both the collection of contractual cash flows and the sale of such financial assets; ② as stipulated by the financial asset's contract, the cash flows generated on a specific date are only for the payment of principal and interest based on the outstanding principal amount. Such financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount. Any gains or losses arising from such financial assets that are not part of any hedging relationship are recognized in other comprehensive income, other than credit impairment losses or gains, exchange gains or losses, and interest on such financial assets calculated in accordance with the effective interest rate method. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income to retained earnings and shall be included in the current profit or loss. Such financial assets of the Group include: receivables financing, other debt investments, other equity instrument investments, etc.

The Group recognizes interest income in accordance with the effective interest rate method. This interest income is determined by multiplying the carrying amount of the financial asset (before the provision of impairment) by the effective interest rate, except that: ① for financial assets purchased or derived from which credit impairment has occurred, interest income is determined based on the amortized cost (carrying amount less provision for impairment, i.e., book value) of the financial asset and the credit-adjusted effective interest rate from the initial recognition; ②② for financial assets purchased or derived from which credit impairment has not occurred, but credit impairment in subsequent periods has occurred, interest income is determined in subsequent periods based on the amortized cost of the financial assets and the effective interest rate.

The Group designates investments in non-traded equity instruments as financial assets at fair value through other comprehensive income. Once made, the designation cannot be revoked. Investments in non-traded equity instruments designated by the Group to be measured at fair value through other comprehensive income are initially measured at fair value, and related transaction costs are included in the initial recognition. Except for dividends earned (except for those that are part of the recovery of investment costs) recognized in profit or loss for the period, other related gains and losses (including exchange gains and losses) are included in other comprehensive income and cannot subsequently be transferred to profit or loss for the period. When it is derecognized, accrued gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and included in retained earnings.

Except for financial assets at amortized cost, financial assets at fair value through other comprehensive income, the group classifies the financial assets as financial assets at fair value

through profit or loss. Such financial assets are initially measured at fair value, and related transaction costs are recognized directly in profit or loss for the period. Gains or losses arising from such financial assets are included in profit or loss for the period. Such financial assets include: financial assets held for trading, derivative financial assets, etc.

For financial assets recognized by the Group in a business combination not under common control, it is classified as financial assets at fair value through profit or loss.

When the Group changes its business model for managing financial assets, it reclassifies all affected related financial assets.

2）Measurement and Recognition of Financial Asset Transfers

The financial assets are derecognized when one of the following conditions is satisfied: ①the contractual right to the cash flows from the financial assets has expired; ②the financial asset has been transferred and substantially all the risks and rewards related to the ownership of the financial asset has been transferred to the transferee; ③the financial asset has been transferred, although the Group does not transfer or retain substantially all the risks and rewards related to the ownership of the financial asset, the enterprise has waived its control over the financial asset.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the book value of the transferred financial asset and the sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in other comprehensive income shall be reported in the profit or loss of the current period. (The financial assets involved in the transfer also meet the following conditions: ① the Group's business model for managing the financial assets is aimed at both the receipt of contractual cash flows and the sale of the financial assets; ② the contractual terms of the financial asset provide that the cash flows generated on a particular date are only the payment of principal and interest based on the outstanding principal amount).

If the transfer of a partial financial asset satisfies the conditions of derecognition, the entire book value of the transferred financial asset shall be apportioned between the derecognized part and the non-derecognized portion according to their respective fair value. The difference between the sum of consideration received due to the transfer, and the accumulative amount of changes in fair value originally recorded in other comprehensive income that should be apportioned to the derecognized portion, and the apportioned book value above-mentioned shall be recorded in the profit or loss of the current period. (The financial assets involved in the transfer also meet the following conditions: ① the Group's business model for managing the financial assets is aimed at both the receipt of contractual cash flows and the sale of the financial assets; ② the contractual terms of the financial asset

provide that the cash flows generated on a particular date are only the payment of principal and interest based on the outstanding principal amount).

3）Impairment of Financial Instruments

a. Scope of Application

The Group uses expected credit losses as the basis for the impairment of financial assets at amortized cost, lease receivables, and contract assets and recognizes a loss provision.

For receivables without significant financing components and contract assets, the Group applies a simplified measurement approach and measures the loss provision at an amount equal to the expected credit loss over the entire life of the asset.

For lease receivables, receivables with significant financing components, and contract assets, the Group chooses to apply the simplified measurement method to measure the loss provision at an amount equal to the expected credit losses over the entire life of the receivables.

b. Method of Determining Expected Credit Loss and Accounting Treatment

For financial assets, loan commitments, and financial guarantee contracts other than those measured using the simplified measurement approach described above, the Group assesses at each balance sheet date whether the credit risk has increased significantly since the initial recognition. If the credit risk has not increased significantly since the initial recognition, they are in the first stage, and the Group measures the loss provision at an amount equal to the expected credit losses in the next 12 months and calculates interest income based on the book balance and the effective interest rate. If credit risk has increased significantly since initial recognition but credit impairment has not yet occurred, they are in stage 2, and the Group measures the loss provision at an amount equal to the expected credit losses over the entire duration and calculates interest income based on the book balance and the effective interest rate; if credit impairment has occurred after initial recognition, they are in stage 3, and the Group measures the loss provision at an amount equal to the expected credit losses over the entire duration and calculates interest income based on amortized cost and the effective interest rate. For financial instruments with low credit risk at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

The Group assesses expected credit losses on financial instruments on an individual and portfolio basis. The Group assesses expected credit losses on financial instruments on an aging portfolio basis, taking into account the credit risk characteristics of different customers.

The Group's approach to measuring expected credit losses on financial instruments reflects factors such as an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and projections of future economic conditions that are available at the balance sheet date without undue additional cost or effort.

When the Group no longer has a reasonable expectation of recovering all or part of the contractual cash flows from a financial asset, the Group directly writes down the book balance of the financial asset.

The method of expected credit losses on notes receivable, accounts receivable, and other receivables is described in "IV. 11 Notes Receivable" and "IV. 12 Receivables".

(2) Financial Liabilities

1）Classification, Recognition, and Measurement of Financial Liabilities

The Group classifies financial liabilities as financial liabilities at amortized cost, except for: ① financial liabilities at fair value through profit or loss, including transactional financial liabilities (such as derivatives that are financial liabilities) and financial liabilities designated as fair value through profit or loss. ② Financial liabilities arising from the transfer or continued involvement of financial assets that do not meet the conditions for derecognition. ③ A financial guarantee contract that does not fall under the circumstances of ① or ② above, and a loan commitment that does not fall under the circumstances of ① above, which is a loan at a lower market interest rate.

For financial liabilities recognized by the Group in a business combination not under common control, it is classified as financial liabilities at fair value through profit or loss.

2）Conditions for Derecognition of Financial Liabilities

When the current obligation of a financial liability is fully or partially relieved may the recognition of the financial liability may be terminated in all or partly. If the Group and the creditors enter into an agreement to replace the existing financial liabilities by taking on new financial liability, and if the contractual stipulations regarding the new financial liability are substantially different from that regarding the existing financial liability, the recognition of the existing financial liability shall be terminated, and new financial liability shall be recognized in the meantime. When the Group materially modifies the contractual terms of all or part of an existing financial liability, it derecognizes the existing financial liability or a portion of it and recognizes the liability with modified terms as a new financial liability. The difference between

the book value of the derecognized part and the consideration paid shall be included in the current profit or loss.

(3) Fair Value Measurement of Financial Assets and Financial Liabilities

The Group measures the fair value of financial assets and financial liabilities based on quoted prices in the main active markets. If there are no major markets, the fair values of financial assets and financial liabilities are measured based on the quoted price in the most favorable market. Valuation techniques that are applicable at that time and supported by sufficient data and other information are adopted. The input value used in fair value measurement can be divided into three levels: The Input value of Level 1 is the unadjusted quote prices as at the measurement date in the active market for identical assets and liabilities. The input value of Level 2 is the input other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly. Level 3 input is the input that is not observable in the market. The Group preferentially uses Level 1 input value and uses Level 3 input value the least. The level within which the fair value measurement results fall is determined by the lowest level within which the inputs that are significant to the fair value measurement as a whole fall.

The Group's investments in equity instruments are measured at fair value. However, in limited circumstances, if there is insufficient information to determine fair value, or if the estimated amount of fair value is widely distributed, and costs represent the best estimate of fair value within that range, the cost may represent an appropriate estimate of fair value within that distribution.

(4) Offsetting of Financial Assets and Financial Liabilities

The Group's financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, they are presented in the balance sheet in net amounts after offsetting each other if both of the following conditions are met: 1) the Group has a legal right to offset the recognized amounts and such legal right is currently enforceable; and 2) the Group plans to settle on a net basis, or to realize the financial asset and pay off the financial liability at the same time.

(5) The Distinction Between Financial Liabilities and Equity Instruments and Related Treatment Methods

The Group distinguishes between financial liability and equity based on the following rules: 1) If the Group cannot unconditionally avoid performing a contractual obligation to transfer cash or another financial asset, such contractual obligation conforms to the definition of financial liabilities. Although some financial instruments do not explicitly contain the terms

and conditions of the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. 2) If a financial instrument needs to be settled or can be settled by delivering the Group's own equity, it is necessary to consider whether the Group's own equity used to settle the instrument shall be recognized as a substitution of cash or other financial assets, or it is used to entitle the instrument owners to the residual equity over the assets that remain after the instrument issuer subtract all liabilities. If it is the former, the instrument is the financial liability of the issuer. If it is the latter, the instrument is the equity instrument of the issuer. In some circumstances, the financial instrument contract may state that, the Group will or may use its own equity instruments to settle the financial instrument, with the amount of the contractual rights or obligations equal to the number of its own equity instruments deliverable or to be delivered multiplied by its fair value at the time of settlement. Such contractual right or obligation shall be categorized as financial liability regardless of whether it is for a fixed amount or an amount that fluctuates in part or in full in response to changes in a variable other than the market price of the Group's own equity instruments (e.g. an interest rate, a commodity price, or a financial instrument price).

The Group considers all terms and conditions between members of the Group and the holders of the instrument when classifying a financial instrument (or a component of it) in consolidated financial statements. An instrument should be classified as a financial liability if the Group as a whole has an obligation to deliver cash or another financial asset in respect of the instrument or to settle it in a manner that results in liability classification.

Where a financial instrument or its component parts are classified as financial liabilities, the related interest, dividends, gains or losses, and gains or losses arising from redemption or refinancing are recognized in profit or loss for the period.

Where a financial instrument or its component parts are classified as equity instruments, the issuance (including refinancing), buy-back, sale, or cancellation of the financial instrument shall be treated by the Group as a change in equity. No change in the fair value of the equity instrument shall be recognized.

10. Hedging instrument

Hedging instruments refer to financial instruments designated by the Group for hedging purposes, the changes in fair value or cash flow of which are expected to offset the changes in fair value or cash flow of the hedged item.

The Group uses the following accounting principles for hedging instruments that meet the hedging accounting standards:

(1) Fair Value Hedge

The gain or loss arising from the hedging instrument is included in the current profit and loss.

If the hedging instrument is an equity instrument investment that the Group chooses to measure at fair value with changes included in other comprehensive income, the gain or loss arising from the hedging instrument shall be included in other comprehensive income.

(2) Cash Flow Hedge

1) Gain or loss from the hedging instrument that is effective for hedging is included in other comprehensive income as a cash flow hedging reserve. The amount of the cash flow hedging reserve shall be determined according to the lower of the absolute amount of the following two items: ①the accumulated gain or loss of the hedging instrument since the beginning of the hedging; ②the estimated future cash flow of the hedged item since the beginning of the hedging.

The amount of the cash flow hedge reserve included in other comprehensive income in each period shall be the change in the cash flow hedge reserve of the current period.

2) The part of the gain or loss generated by the hedging instrument that is ineffective in the hedging (that is, other gains or losses after deducting other comprehensive income) shall be included in the current profit and loss.

The amount of cash flow hedge reserves shall be handled by the Group in accordance with the following provisions:

a. The hedged item is an expected transaction, and the expected transaction causes the Group to subsequently recognize a non-financial asset or non-financial liability, or the expected transaction of the non-financial asset or non-financial liability forms an accounting applicable to fair value hedges. When a firm commitment is made, the Group will transfer out the cash flow hedging reserve amount originally recognized in other comprehensive income and include it in the initial recognized amount of the asset or liability.

b. For the cash flow hedges that are not involved in ① of this section, the Group will transfer out the cash flow hedge reserve amount originally recognized in other comprehensive income and include it in the current period profit and loss.

c. If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss, and all or part of the loss is expected to be irreparable in future accounting periods, the Group will transfer the estimated irreparable part from other comprehensive income to the current profit and loss.

When the Group terminates the use of hedge accounting for cash flow hedges, the accumulated cash flow hedge reserve amount recognized in other comprehensive income shall be dealt with in accordance with the following provisions:

a. If the future cash flows hedged are still expected to occur, the amount previously recognized in other comprehensive income shall not be transferred out until the expected transaction actually occurs or until a firm commitment is fulfilled.

b. If the future cash flows hedged are no longer expected to occur, the amount of the cumulative cash flow hedge reserve shall be transferred out of other comprehensive income and recognized in current profit or loss. If future cash flows hedged that are no longer expected to be highly probable are still expected to occur, the amount previously recognized in other comprehensive income shall not be transferred out until the expected transaction actually occurs or a firm commitment is fulfilled.

3) Hedging of Net Investment in Foreign Operations

Hedging of net investment in foreign operations, including hedging of monetary items accounted for as part of the net investment, is handled by the Group in accordance with provisions similar to cash flow hedge accounting:

a. The part of the gain or loss formed by the hedging instrument that is effective for hedging shall be included in other comprehensive income.

When all or part of the overseas operation is disposed of, the above-mentioned gains or losses on hedging instruments included in other comprehensive income shall be correspondingly transferred out and included in the current profit and loss.

a. The part of the gain or loss formed by the hedging instrument that is ineffective in the hedging shall be included in the current profit and loss.

11. Notes Receivable

For notes receivable, regardless of whether there is a significant financing component, the Group measures the loss provision based on the expected credit loss of the entire duration.

(1) Provision for Impairment on an Individual Basis

If there is objective evidence that a receivable has been impaired or the credit risk profile is significantly different from other portfolios, the Group makes a separate provision for such receivables and recognizes an expected credit loss. This includes receivables in case of litigation or arbitration, as well as clear indications that the debtor is likely to be unable to meet its repayment obligations.

(2) Provision for Impairment by Portfolio

Considering the default risk of different notes, the Group divides the notes receivable into: bank acceptance bills, commercial acceptance bills drawn by customers within the scope of consolidation of State Grid Corporation of China, and other commercial acceptance bills. The method of accruing expected credit loss in commercial acceptance bills shall refer to the expected credit loss method of accounts receivable in "12. Receivables".

12. Receivables

Receivables include accounts receivables and other receivables.

(1) Provision for Impairment on an Individual Basis

If there is objective evidence that a receivable has been impaired or the credit risk profile is significantly different from other portfolios, the Group makes a separate provision for such receivables and recognizes an expected credit loss. This includes receivables in case of litigation or arbitration, as well as clear indications that the debtor is likely to be unable to meet its repayment obligations, accounts receivable with significantly different risk characteristics arising from overseas business。

(2) Provision for Impairment by Portfolio

Except for the receivables that are individually assessed for credit risk, the Group divides other receivables into several portfolios according to the characteristics of credit risk and calculates the expected credit loss on the basis of the portfolio. On the basis of the portfolio, by considering the factors that should be reflected in the expected credit losses measurement method, referring to the historical credit losses experience and the country (region) of operation, respectively, and determining a table of the ageing of receivables in relation to the expected credit losses rate. The classification of portfolios is as follows:

Portfolio name	Portfolio classification
Receivable portfolio 1	Portfolio of related parties (receivables within the scope of the State Grid Corporation of China's consolidation)
Receivable portfolio 2	Receivables from electricity (including levied funds and surcharges)
Receivable Portfolio 3	Receivables from the sale of other products (service), other receivables

(3) Accounting Treatment

The Group calculates the expected credit loss on accounts receivable at the balance sheet date, and if the expected credit loss is greater than the carrying amount of the current impairment provision for accounts receivable, the Group recognizes the difference as an impairment loss on accounts receivable, debits "credit impairment loss" and credits "bad debt provision". On the other hand, the Group recognizes the difference as an impairment gain, and debits "bad debt provision", and credits "credit impairment loss".

If the Group incurs a credit loss and determines that the relevant receivables cannot be collected, and it is approved to write them off, the "bad debt provision" shall be debited and the "accounts receivable" shall be credited. If the write-off amount is greater than the accrued loss provision, the "credit impairment loss" shall be debited.

13. Inventories

The Group's inventories mainly include raw materials, self-manufactured semi-finished products, work-in-process, goods in stock, working capital materials and costs to fulfill a contract.

The perpetual inventory system is used as a method of inventory management. Inventory is valued at its acquisition cost. The weighted average method is used to determine the actual cost when inventory is received or delivered. Low value materials and packaging materials are amortised using the direct write-off method.

Inventory at the period-end is valued at cost or net realizable value, whichever is lower. For inventory whose cost is expected to be uncollectible due to damage, obsolescence in whole or in part, and/or insufficient sales price to cover the cost, the provision of inventory impairment shall be recorded. Provision for inventory impairment on goods in stock, data resources, and bulk raw materials is reported at the difference between the cost of a single inventory item and its net realizable value. Provisions for inventory impairment on other raw and auxiliary materials with large quantities and low unit prices are reported according to category.

The net realizable value of inventory directly held for sale, such as goods in stock, work-in-process products, data resources completed by processing, and materials for sale, shall be determined by the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes. The net realizable value of inventory used for production and data resources used for processing shall be determined by the estimated selling price of finished or processed goods minus the estimated cost to be incurred at the time of completion, the estimated amount of sales expenses, and related taxes.

14. Contract Assets

(1) Recognition Method and Standard of Contract Assets

Contract assets refer to the right that the Group has to receive consideration from customers after transferring goods to them, and such right depends on factors other than the passage of time. If the Group sells two distinguishable goods to the Customer and is entitled to receive payment because one of the goods has been delivered, but the receipt of such

payment is also dependent on the delivery of the other goods, the Group treats the right to collection as a contract asset.

(2) Determination Method of Expected Credit Loss of Contract Assets

The Group applies a simplified method to measure loss provisions. The loss provisions are equal to the amount of expected credit losses over the entire life of existence, regardless of the presence or absence of a significant financing component.

1) Provision for Impairment on an Individual Basis

If there is objective evidence that a contract asset is impaired or the risk characteristics are significantly different from those of other portfolios, the Group makes a single provision for bad debts and recognizes an expected credit loss for that type of contract asset.

2) Provision for Impairment by Portfolio

The Group classifies contract assets into portfolios based on credit risk characteristics and calculates expected credit losses on a portfolio basis. Portfolios are categorized as follows:

Portfolio name	Portfolio classification
Contract asset portfolio 1	Portfolio of related parties (contract assets within the scope of the State Grid Corporation of China's consolidation)
Contract asset portfolio 2	Warranty deposit business
Contract asset portfolio 3	Product sales (service) business
Contract asset portfolio 4	Engineering construction business

(3) Accounting Treatment of Expected Credit Losses on Contract Assets

The Group calculates the expected credit loss of contract assets on the balance sheet date. If the expected credit loss is greater than the booking amount of the current contract asset impairment provision, the Group recognizes the difference as an impairment loss, debits the "Asset Impairment Loss", and credits "Provision for Impairment of Contract Assets". On the other hand, the Group recognizes the difference as an impairment gain, and debits "bad debt provision", and credits "credit impairment loss".

If the Group incurred credit losses and determined that the relevant contract assets could not be recovered and were approved to be written off, according to the approved write-off amount, debit “Provision for Impairment of Contract Assets” and credit “Contract Assets”. If the write-off amount is greater than the accrued loss provision, the “Asset Impairment Loss” shall be debited according to the difference.

15. Long-term Equity Investment

(1) Judgments to Determine Control, Joint Control, or Significant Influence Over Investees

The Group's long-term equity investments mainly include those held by the Group that can exercise control and significant influence over the investees and equity investments in its joint ventures.

Control refers to the Group's power over an investee, enjoying variable returns through participation in the investee's relevant activities and the ability to use its power over the investee to affect the amount of its returns.

Joint control is control over an arrangement that is shared by relevant agreement and where the relevant activities of the arrangement require the unanimous agreement of the participants sharing control before decisions can be made. A joint venture arrangement is an arrangement that is jointly controlled by two or more participants. A joint venture is a joint arrangement in which the joint venturers have rights only to the net assets of the arrangement.

Significant influence means that the investor has the right to participate in the decision-making process regarding the investee's financial and operating policies but cannot control or jointly control the formulation of these policies with other parties. The Group determines that it has significant influence over an investee by considering the following circumstances: (1) the Group has representatives on the investee's board of directors or similar authority; (2) it participates in the process of formulating the investee's financial and operating policies; (3) it has significant transactions with the investee; (4) it assigns management personnel to the investee; and (5) it provides the investee with key technological information. When determining whether it is possible to exercise significant influence over an investee, the Group considers, on the one hand, the Group's direct or indirect holdings of voting shares in the investee and, on the other hand, the impact of current exercisable potential voting rights held by the Group and by others that would result from the assumption of conversion to equity in the investee, such as the effect of current convertible warrants, share options and convertible corporate bonds issued by the investee.

(2) Methods of Determining the Cost, Subsequent Measurement, and Recognizing Gains and Losses on Long-term Equity Investments

If cash is paid, non-cash assets are transferred or liabilities are assumed as consideration for a combination, the initial investment cost of a long-term equity investment is recognized at the date of the combination as the share of the book value of the ownership interest of the combined entity in the consolidated financial statements of the party ultimately controlling the entity. The difference between the initial investment cost of a long-term equity investment and the book value of cash paid, non-cash assets transferred, and liabilities

assumed is adjusted to the equity premium in capital reserve; if the equity premium in capital reserve is not sufficient to offset the difference, it is adjusted to retained earnings.

If equity securities are issued as consideration for a combination, the initial investment cost of a long-term equity investment is recognized as the share of the book value of the ownership interest of the combined entity in the consolidated financial statements of the party ultimately controlling the combined entity at the date of consolidation, and the total nominal value of the shares issued is recognized as share capital; the difference between the initial investment cost of the long-term equity investment and the total nominal value of the shares issued is adjusted to the share capital premium in capital reserve; if the capital reserve is not sufficient to offset the difference, it is adjusted to retained earnings.

Business combinations not under common control: The Group recognizes the initial investment cost of long-term equity investments at the cost of combination determined at the date of purchase.

Intermediary fees such as auditing, legal services, appraisal and consulting fees and other related management fees incurred for the purpose of a business combination are recognized in current profit or loss when incurred; transaction costs for equity or debt securities issued as consideration for a combination are included in the amount initially recognized for equity or debt securities.

In addition to the above-mentioned long-term equity investment obtained through business combination, the long-term equity investment obtained by paying cash shall be regarded as the investment cost according to the purchase price paid; the long-term equity investment invested by investors shall be regarded as the investment cost according to the value agreed in the investment contract or agreement; for long-term equity investments acquired through debt restructuring and non-monetary asset exchanges, the cost of investment is determined in accordance with the relevant accounting standards.

The Group adopts the cost method to calculate the long-term equity investment that can control the investee and the equity method to calculate the investment in associates and joint ventures.

When the cost method is adopted for accounting, the long-term equity investment is valued at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or recovered. The profits or cash dividends declared and distributed by the investee are recognized as investment income.

When the equity method is adopted for accounting, if the initial investment cost is greater than the share of the fair value of the identifiable net assets of the investee at the

time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in current profit or loss and the cost of the long-term equity investment is adjusted. After obtaining the long-term equity investment, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profit and loss and other comprehensive income of the investee that should be enjoyed or shared in the current year, and the book value of the long-term equity investment shall be adjusted at the same time; the investor shall calculate the part that should be enjoyed according to the profit or cash dividend declared and distributed by the investee, and the long-term equity investment shall be reduced accordingly; the investor shall adjust the book value of the long-term equity investment and include it in the owner's equity for other changes in the owner's equity of the investee except for the net profit and loss, other comprehensive income and profit distribution. When confirming the share of net profit or loss of an investee, investment income is recognized based on the fair value of the identifiable net assets of the investee at the time of investment acquisition, adjustments to the net profit of the investee in accordance with the Group's accounting policies and the accounting period, and the offsetting of the portion of unrealized gains and losses on internal transactions with associates and joint ventures attributable to the investor in accordance with the proportion of entitlement.

When recognizing a share of the net loss incurred by the investee, the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment in the investee are written down to zero at most, except when the Group has an obligation to assume additional losses. If the investee achieves net profit in the future, the Group resumes recognition of revenue sharing after the revenue sharing amount makes up for the unrecognized loss sharing amount.

(3) Conversion of the Method of Accounting for Long-term Equity Investment

For equity investments that can exercise joint control or significant influence over the investee but do not constitute control due to additional investment, etc., the fair value of the equity investment originally held that is recognized and measured in accordance with the “Note IV.9 Financial Instruments” plus the fair value of the consideration paid for acquiring the additional investment shall be treated as the initial investment cost accounted for under the equity method instead. The difference between the initial investment cost calculated above and the share of the fair value of the identifiable net assets of the investee at the date of the additional investment determined based on the new shareholding ratio after the additional investment is made, if the former is greater than the latter, the book value of the long-term equity investment will not be adjusted; if the former is less than the latter, the

difference will be adjusted to the book value of the long-term equity investment and recognized in the current period's non-operating income.

For long-term equity investments that are capable of exercising control over an investee that is not under common control due to additional investment, the initial investment cost to be reclassified to the cost method is based on the sum of the book value of the equity investment previously held plus the cost of the additional investment at the time of preparing the individual financial statements. Other comprehensive income recognized on the equity investment held before the date of purchase using the equity method shall be accounted for on the same basis as the investee's direct disposal of the related assets or liabilities when that investment is disposed of. For equity investments held before the date of purchase that are non-trading equity instruments designated as at fair value through other comprehensive income, cumulative changes in fair value that were previously recognized in other comprehensive income are not transferred to current profit or loss.

If the Group no longer has joint control or significant influence over the investee due to the disposal of part of the equity investment, etc., and the remaining equity after disposal is recognized and measured by applying "Note IV.9 Financial Instruments", the difference between the fair value and the book value at the date of loss of joint control or significant influence is recognized in the current profit or loss. Other comprehensive income recognized as a result of adopting the equity method of accounting for the original equity investment is accounted for upon termination of the equity method of accounting on the same basis as the direct disposal of the related assets or liabilities by the investee.

If the investor loses control over the investee due to the disposal of part of the equity investment, etc., the remaining equity after the disposal is able to exercise joint control or significant influence over the investee at the time of preparation of the individual financial statements, the investment is accounted for under the equity method instead, and adjustments are made to the remaining equity interest as if it were accounted for under the equity method from the time of acquisition; if the remaining equity interest after disposal cannot exercise joint control or significant influence over the investee unit and is accounted for by applying "Note IV.9 Financial Instruments", the difference between its fair value and book value at the date of the loss of control is recognized in profit or loss for the period.

(4) Disposal of Long-Term Equity Investment

The difference between the book value and the actual acquisition price of long-term equity investments disposed of is recognized as investment income in the current period. For long-term equity investments accounted for under the equity method, upon disposal of such investments, the corresponding proportionate share of the portion originally recognized in

other comprehensive income is accounted for using the same basis as that for direct disposal of the related assets or liabilities by the investee.

(5) Impairment of Long-term Equity Investment

For details of the impairment test method and the provision for the impairment of long-term equity investment, please refer to Note IV. 25.

16. Investment Properties

The Group's investment properties consist of leased land use rights, land use rights held and intended to be transferred after appreciation, and leased buildings.

The Group's investment properties are recorded at their cost. The cost of purchased investment properties consists of the purchase price, related taxes and other expenses directly attributable to the asset; the cost of a self-constructed investment property consists of necessary expenditures incurred before the asset that is constructed is available for intended use.

The Group uses the cost model for subsequent measurement of investment property and depreciates or amortizes it according to its estimated useful life and net residual value rate. The estimated useful life, net residual value rate and annual depreciation (amortization) rate of investment properties are as follows:

Category	Useful life (year)	Estimated residual value rate (%)	Annual depreciation rate (%)
Land usage rights	20-50	0	2.00-5.00
Plant & buildings	5-45	5	2.11-19.00

When the use of an investment property is changed to self-use, the investment property shall be converted into a fixed asset or an intangible asset from the date of the change. When the use of self-use properties is changed to rent earning or capital appreciation, the fixed assets or intangible assets are converted to investment properties from the date of the change. When conversion occurs, the book value before conversion shall be taken as the entry value after conversion.

An investment property is derecognized when it is disposed of or permanently withdrawn from use, and no economic benefits are expected from its disposal. Proceeds from the disposal of investment properties through sale, transfer, scrapping, or destruction, net of their book values and related taxes, are recognized in current profit or loss.

17. Fixed Assets

The Group's fixed assets are tangible assets with the following characteristics: they are held for the production of goods, provision of services, leasing activities, or operation management and have a useful life of more than one year.

Fixed assets, including land assets, houses and buildings, machinery and equipment, transportation equipment, office equipment, and others, are recorded at their cost at the time of acquisition. The cost of purchased fixed assets includes the purchase price, import duties and taxes, and other expenditures directly attributable to the fixed assets incurred before the fixed assets are brought to the intended state of use; the cost of self-constructed fixed assets consists of the necessary expenditures incurred before the assets are brought to the intended state of use; fixed assets invested by investors are recorded at the value agreed in the investment contract or agreement, but if the value agreed in the contract or agreement is not fair, they are recorded at fair value.

Subsequent expenditures relating to fixed assets, including repair expenditures, renovation expenditures, etc., are included in the cost of fixed assets if they meet the conditions for recognition of fixed assets, and for the replaced portion of the fixed assets, their book value is derecognized; those that do not meet the conditions for recognition of fixed assets are recognized in the current profit or loss according to the benefited party as incurred.

The Group depreciates all fixed assets except those that are fully depreciated and continue to be used and land that is separately recorded in the accounts. The provision for depreciation is made using the straight-line method and is charged to the cost or current expenses of the related assets (or other methods), depending on the use. The categorized useful lives, estimated net residual value rates, and depreciation rates of the Group's fixed assets are as follows:

No.	Category	Useful life (year)	Estimated residual value rate (%)	Annual depreciation rate (%)
1	Land assets			
2	Plant & buildings	5-45	5	2.11-19.00
3	Machinery and equipment	3-30	5	3.17-31.67
4	Transport vehicles	6-10	5	9.50-15.83
5	Electronics	5-12	5	7.92-19.00
6	Office equipment	5-10	5	9.50-19.00
7	Others	5-12	5	7.92-19.00

The Group shall review the estimated useful life, estimated net residual value, and depreciation method of fixed assets at the end of each year. If there are any changes, such changes shall be treated as changes in accounting estimates.

A fixed asset is derecognized when disposed of or when no economic benefits are expected to arise from its use or disposal. Proceeds from the disposal of fixed assets through sale, transfer, scrapping, or destruction, net of their book values and related taxes, are recognized in current profit or loss.

For details of the impairment testing method for fixed assets and the provision for impairment, please refer to Note IV. 25.

18. Construction in Progress

Construction in progress is measured at actual costs incurred. Self-employed construction work is measured by direct materials, direct wages, direct construction costs, etc.; outsourced construction work is measured by the price of work to be paid, etc.; and the cost of equipment installation work is determined based on the value of the equipment installed, installation costs, and expenditures incurred for commissioning. The cost of construction in progress also includes borrowing costs and exchange gains and losses that should be capitalized.

From the date the construction in progress reaches its intended state of use, it is carried forward to fixed assets at its estimated value based on the project budget, construction cost, or actual cost of the project, and depreciation starts from the following month. The difference in the original value of the fixed assets is adjusted after the completion of the final accounts.

For details of the impairment testing method for construction in progress and the provision for impairment, please refer to Note IV. 25.

19. Borrowing Costs

The Group's borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary costs, and exchange differences incurred on foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of assets eligible for capitalization begin to be capitalized when expenditures for the assets have been incurred, borrowing costs have been incurred, and the acquisition, construction or production activities necessary to bring the assets to their intended usable or saleable condition have begun, and capitalization ceases when the assets acquired, constructed or produced that qualify for capitalization reach their intended usable or saleable condition. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Interest expenses incurred in the current period on special borrowings are capitalized, net of interest income earned on unused borrowed funds deposited in banks or investment income earned on temporary investments; general borrowings are capitalized based on the

weighted-average amount of accumulated asset expenses in excess of the portion of special borrowings multiplied by the weighted-average interest rate of the general borrowings occupied.

Assets eligible for capitalization are assets such as fixed assets, investment properties, and inventories that require a significant period of time (usually more than one year) for acquisition, construction, or production activities to reach their intended use or marketable condition.

If there is an abnormal interruption in the acquisition and construction or production of an asset eligible for capitalization for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition and construction or production of the asset recommences.

20. Right-of-Use Assets

Right-of-use assets represent the right of the Group as a lessee to use the leased assets during the lease term.

(1) Initial Measurement

On the commencement date of the lease term, the Group initially measures the right-of-use asset at cost. This cost includes the four items listed below:

1) the initial measurement amount of the lease liability; 2) the amount of lease payments made on or before the commencement date of the lease term, if there is a lease incentive, deduct the relevant amount of the lease incentive already enjoyed; 3) the initial direct expenses incurred, i.e., the incremental costs incurred to achieve the lease; and 4) the costs expected to be incurred to disassemble and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the condition agreed under the terms of the lease, except for those incurred for the production of inventories.

(2) Subsequent Measurement

After the commencement date of the lease term, the Group adopts the cost model for the subsequent measurement of right-of-use assets, i.e., right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses. If the Group remeasures the lease liabilities in accordance with the relevant provisions of the leasing standards, the book value of the right-of-use assets is adjusted accordingly.

1) Depreciation of Right-of-Use Assets

The Group depreciates right-of-use assets from the commencement date of the lease term. Right-of-use assets are normally depreciated from the month in which the lease term

commences. The amount of provision for depreciation is charged to the cost of the related assets or to the current profit or loss, depending on the use of the right-of-use assets. When determining the depreciation method for right-of-use assets, the Group makes decisions based on the manner in which the economic benefits associated with the right-of-use assets are expected to be consumed and depreciates the right-of-use assets on a straight-line basis.

When determining the depreciation period of right-of-use assets, the Group adheres to the following principles: if the Group can reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation will be accrued over the remaining useful life of the leased asset; if the Group is unable to reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation will be accrued over the shorter of the lease term or the remaining useful life of the leased asset.

2) Impairment of Right-of-Use Assets

If a right-of-use asset is impaired, the Group depreciates it subsequently based on its book value after deducting the impairment loss.

21. Intangible Assets

The Group's intangible assets include software, land use rights, patented technologies, non-patented technologies, copyrights, and franchises, etc., which are initially measured at cost. For purchased intangible assets, the actual cost is based on the purchase price, related taxes, and other expenses directly attributable to bringing the asset to its intended use; for intangible assets invested by investors, the actual cost is determined based on the value agreed in the investment contract or agreement, except for those where the agreed value in the contract or agreement is not fair, in which case the actual cost is determined based on the fair value.

The Group recognizes intangible assets acquired in a business combination not under common control that are owned by the acquiree but not recognized in its financial statements as intangible assets at fair value upon initial recognition of the acquiree's assets if one of the following conditions is met: 1. they arise from contractual or other legal rights; 2. they can be separated or carved out from the acquiree and can be sold, transferred, licensed, leased or exchanged, either individually or together with related contracts, assets, and liabilities.

Land use rights are amortized equally over their useful lives from the commencement date of the grant; patented technologies, non-patented technologies, and other intangible assets are amortized in equal installments over the shortest of their estimated useful lives, contractual beneficial lives, and effective lives as prescribed by law. Data resources are amortized equally over the estimated beneficial lives (or other amortization methods, such as

the units-of-production method, based on the manner in which revenue is expected to be generated, etc.). The amortized amount is included in the cost of the related assets and the current profit or loss according to its beneficiary.

The estimated useful life and amortization method of intangible assets with finite useful lives shall be reviewed at the end of each year. If there are any changes, such changes shall be treated as changes in accounting estimates. The estimated useful lives of intangible assets with indefinite useful lives shall be reviewed in each accounting period. If there is evidence that the useful life of an intangible asset is finite, the useful life shall be estimated, and the intangible asset shall be amortized over the estimated useful life.

For details of the impairment testing method and impairment provision for intangible assets, please refer to “Note IV. 25”.

22. Research and Development

The Group's research and development expenditures are categorized into research-phase expenditures and development-phase expenditures based on their nature and whether there is significant uncertainty that the research and development activities will ultimately result in intangible assets. Research-phase expenditures are recognized in profit or loss when incurred; development-phase expenditures are recognized as intangible assets when the following conditions are met:

(1) It is technically feasible to complete the intangible asset so that it can be used or sold;

(2) There is an intent to complete the intangible asset and use or sell it;

(3) There is a market for the product produced using the intangible asset or a market for the intangible asset itself;

(4) There is sufficient technical, financial, and other resource to support the development of the intangible asset to be completed and the ability to use or sell the intangible asset;

(5) The development-phase expenditures attributable to the intangible asset can be measured reliably.

Development-phase expenditures that do not meet the above conditions shall be included in profit or loss when incurred. Development-phase expenditures not meeting the above conditions shall be included in profit or loss when incurred. Development-phase expenditures that have been capitalized are presented as development expenditures on the balance sheet and are transferred to the presentation of intangible assets from the date on which the project reaches its intended state of use.

23. Long-Term Deferred Expenses

The Group's long-term deferred expenses are all expenses that have been expended but should be borne by the current and future periods with an amortization period of more than one year (excluding one year), which are amortized equally over the period of benefit. If an item of long-term deferred expenses does not benefit subsequent accounting periods, the entire amortization value of the item not yet amortized is transferred to the current profit or loss.

24. Goodwill

Goodwill refers to the difference between the cost of equity investment or the cost of business combination not under common control and the fair value share of the investee's or the acquiree's identifiable net assets on the acquisition date or the purchase date.

Goodwill related to subsidiaries is listed separately in the consolidated financial statements. Goodwill related to associates and joint ventures is included in the book value of long-term equity investments.

25. Impairment of Non-financial Long-term Assets

The Group examines long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, and intangible assets with finite useful lives at each balance sheet date and performs an impairment test when the following indications exist that the assets may be impaired. Goodwill, intangible assets with indefinite useful lives, and development costs of assets that have not yet reached their intended state of use are tested for impairment at the end of each year, regardless of whether there is an indication of impairment. If it is difficult to test the recoverable amount of an individual asset, it is tested based on the asset group or portfolio of asset groups to which it belongs.

After the impairment test, if the asset's book value exceeds its recoverable amount, the difference is recognized as an impairment loss. Once an impairment loss is recognized for the above asset, it will not be reversed in subsequent accounting periods. The recoverable amount of an asset is the higher of its fair value, net of disposal costs, and the present value of its estimated future cash flows.

Indications of impairment are as follows:

(1) The market price of the assets falls sharply in the current period, which is significantly higher than the expected decline due to the passage of time or normal use;

(2) The economic, technological, or legal environment in which the enterprise operates and the market in which the assets are dedicated has changed significantly in the current

period or will change significantly in the near future, thereby adversely affecting the enterprise;

(3) The market interest rate or other market rate of return on investment has increased in the current period, which affects the discount rate of the enterprise to calculate the present value of the expected future cash flow of the assets, resulting in a significant reduction in the recoverable amount of the assets;

(4) If there is evidence that the asset is old and obsolete or that it is physically damaged;

(5) Assets have been or will be idle, terminated, or planned to be disposed of in advance;

(6) The evidence from internal reports of the enterprise indicates that the economic performance of the asset has been or will be lower than expected, for example, the net cash flow generated by the asset or the realized operating profit (or loss) is significantly lower (or higher) than the estimated amount, and so on;

(7) Other indications that assets may have been impaired.

26. Contract Liabilities

Contract liabilities reflect the Group's obligation to transfer goods to customers for consideration received or receivable from customers. If the customer has paid the contract consideration or the Group has acquired the unconditional right to receive the contract consideration before transferring the goods to the customer by the Group, a contract liability is recognized for the amount received or receivable at the earlier of point of the actual payment or the amount due and payable by the customer.

27. Employee Benefits

The Group's employee benefits refer to the various forms of remuneration or compensation given by the Group for services rendered by employees or for the termination of the employment relationship, including short-term benefits, post-employment benefits, termination benefits, and other long-term employee benefits. The Group's benefits provided to employees' spouses, children, dependents, survivors of deceased employees, and other beneficiaries are also classified as employee benefits.

(1) Short-term benefits refer to the Group's employee benefits that are fully payable within twelve months after the end of the annual reporting period for the services rendered by the employee, except for compensation due to the termination of the labor relationship with the employee. The Group's short-term benefits specifically include employees' salaries, bonuses, allowances, and subsidies, employees' welfare contributions, social insurance premiums such as medical, work-related injury, and maternity insurance premiums, housing

provident funds, labor union funds, employees' education funds, short-term paid absences, short-term profit-sharing plans, non-monetary benefits, and other short-term benefits.

The Group recognizes short-term benefits incurred by employees as liabilities in the accounting period in which the services are rendered and recognizes them in the current profit or loss or in the cost of the related assets, depending on the beneficiary of the services rendered by the employees.

(2) Post-employment benefits are various forms of compensation and benefits provided by the Group for the services rendered by the employees after they retire or terminate their employment relationship with the Group, except for those that fall under the categories of short-term benefits and termination benefits.

The Group's defined contribution plan refers to the payment of basic pension insurance, unemployment insurance, and enterprise annuities to employees in accordance with the relevant regulations of the local government. During the accounting period in which the employees render services to the Group, the amount of contribution payable is calculated based on the contribution base and proportion stipulated by the local government and is recognized as a liability and charged to the current profit or loss or the cost of the relevant assets.

The Group establishes enterprise annuities, which are funded by joint contributions from the Group and individuals. The part paid by the Group shall be withdrawn according to a certain proportion of the total salaries of the previous year and disbursed from the cost of the Group. The part paid by the individual shall be paid according to a certain proportion of the basic endowment insurance payment base of the employee in the current year, which shall be withheld and paid by the from Group the employees' salaries.

The Group attributes the benefit obligations arising from defined benefit plans to the period in which the employees render the services, based on a formula determined by the expected accumulated benefit unit method, and is recognized in the current profit or loss or the cost of the related assets. The deficit or surplus resulting from the present value of the defined benefit plan obligation less the fair value of the defined benefit plan assets is recognized as a net liability or net asset for a defined benefit plan. Where a defined benefit plan has a surplus, the Group measures the net assets of the defined benefit plan at the lower of the surplus of the defined benefit plan or the asset ceiling.

All defined benefit plan obligations, including those that are expected to be paid within twelve months after the end of the annual reporting period in which the employee rendered the service, are discounted based on the market yields at the balance sheet date on treasury

bonds or high-quality corporate bonds in active markets that match the maturity and currency of the defined benefit plan obligations.

Service costs incurred for defined benefit plans and net interest on net liabilities or net assets of defined benefit plans are recognized in the current profit or loss or the cost of the related assets; changes arising from the remeasurement of net liabilities or net assets of defined benefit plans are recognized in other comprehensive income and are not reversed to profit or loss in subsequent accounting periods.

Upon the settlement of a defined benefit plan, a settlement gain or loss shall be recognized as the difference between the present value of the defined benefit plan obligation and the settlement price determined at the settlement date.

(3) Termination benefits are benefits given by the Group to an employee to terminate the employment relationship with the employee prior to the expiry of the employee's employment contract or to encourage the employee to accept redundancy voluntarily. For employees who have not terminated their employment contracts with the Group, but will no longer render services to the Group in the future and will not be able to bring economic benefits to the Group, and for whom the Group is committed to providing economic compensation in the nature of termination benefits, in the case of "internal retirement", the benefits shall be treated as termination benefits prior to the official retirement date and as post-employment benefits after the official retirement date.

If the Group provides termination benefits to employees, the Group recognizes an employee benefit liability arising from the termination benefits and recognizes it in the current profit or loss at the earlier of when the Group is unable to unilaterally withdraw the termination benefits provided as a result of a plan to terminate employment or a proposal to downsize, or when the Group recognizes a restructuring-related cost or expense related to the payment of the termination benefits.

For termination benefits that are not expected to be fully paid within twelve months after the end of the annual reporting period, and for termination plans in which the substantive termination is implemented within one year but the compensation payments are paid over one year, the Group selects an appropriate discount rate and measures the amount of the termination benefits that are accrued in the current profit or loss at the discounted amount.

(4) Other long-term employee benefits refer to all employee benefits other than short-term benefits, post-employment benefits, and termination benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans.

If other long-term employee benefits provided by the Group to employees meet the conditions of the defined contribution plan, accounting treatment shall be conducted in accordance with the relevant provisions of the defined contribution plan. If other long-term employee benefits provided by the Group to employees meet the conditions of the defined benefit plan, the Group shall confirm and measure the net total of other long-term employee benefits in accordance with the relevant provisions of the defined benefit plan: service cost; net interest on net other long-term employee benefit liabilities or net assets; changes arising from the remeasurement of the net liabilities or net assets for other long-term employee benefits. The net total is recognized in the current profit or loss or the cost of the related assets.

28. Share-based Payment

Share-based payment refers to the transaction of granting equity instruments or undertaking liabilities based on equity instruments to obtain services rendered by employees or other parties. Share-based payments are categorized into equity-settled share-based payments and cash-settled share-based payments.

Equity-settled share-based payments used in exchange for services rendered by employees shall be measured at the fair value of the equity instruments granted to employees at the date of grant. The amount of this fair value is charged to the relevant cost or expense on a straight-line basis, with a corresponding increase in capital reserves, over the waiting period based on the best estimate of the number of exercisable equity instruments, if exercise is only available if the service during the waiting period is completed or if specified performance conditions are met.

Cash-settled share-based payments shall be measured at the fair value of the liabilities assumed by the Group that are determined on the basis of shares or other equity instruments. If the right is exercisable immediately after the grant, the fair value of the liability assumed shall be recorded as the related cost or expense at the date of the grant, with a corresponding increase in the liability. If the right is exercisable after the completion of the service within the waiting period or after the fulfillment of the required performance conditions, at each balance sheet date of the waiting period, services acquired during the period are charged to cost or expense based on the best estimate of the circumstances under which the right is exercisable and based on the amount of the fair value of the liability assumed by the Group, and the liability is adjusted accordingly.

The fair value of the liability is remeasured at each balance sheet date prior to the settlement of the related liability and at the settlement date, with changes in fair value recognized in the current profit or loss.

29. Safety Production Costs

The Group accrues safety production costs in accordance with relevant national regulations, and the safety production costs are exclusively utilized to improve and enhance enterprise or project safety production conditions.

Safety production costs are charged to the cost of the relevant products or the current profit or loss, and special reserves are increased; when actual expenditures are incurred, expenditures belonging to the expense are directly offset against the special reserve, while expenditures belonging to the capital are firstly summarized through the construction in progress, and then recognized as fixed assets when the safety project is completed and reaches the intended state of use, and at the same time the special reserve is offset according to the cost of forming the fixed asset, and accumulated depreciation of the same amount is recognized, and the fixed asset will not be depreciated in the subsequent periods.

30. Bonds Payable

The Group's bonds payable shall be measured at fair value on initial recognition, and the related transaction costs shall be included in the initial recognition amount. Subsequently, they are measured at amortized cost.

The difference between the payment price of the bond and the total face value of the bond is regarded as the premium or discount of the bond, which is amortized when withdrawing interest according to the effective interest method during the duration of the bond and is treated according to the treatment principle of borrowing costs.

31. Provisions

The Group recognizes a liability for operations related to external guarantees, pending litigation or arbitration, product quality guarantees, and other contingencies if the following conditions are met: the obligation is a present obligation assumed by the Group; it is probable that the performance of the obligation will result in an outflow of economic benefits from the enterprise; and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to fulfill the related present obligation, considering factors such as the risks and uncertainties associated with the contingency and the time value of money. If the effect of the time value of money is material, the best estimate should be determined by discounting the related future cash outflows. The book value of the provision is reviewed at each balance sheet date, and the book value is adjusted to reflect the current best estimate if it is changed.

32. Preference Shares, Perpetual Bonds, and Other Financial Instruments

The Group classifies preference shares and perpetual bonds that qualify as equity instruments as equity instruments, while others are classified as financial liabilities.

Preference shares and perpetual bonds classified as debt instruments are initially measured at their fair value after deducting transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense or dividend distribution is treated as borrowing costs, and gains or losses arising from their repurchase or redemption are recognized in profit or loss for the current period.

For preference shares and perpetual bonds classified as equity instruments, after deducting transaction costs from the consideration received at the time of issuance, the owner's equity will increase, the interest expense or dividend distribution will be treated as a profit distribution, and the repurchase or cancellation will be treated as equity changes.

33. Revenue

The Group's operating income mainly includes income from selling goods, income from rendering labor services, income from transferring the right to use assets, and income from construction contracts.

The Group recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the relevant goods or services.

If the contract contains two or more performance obligations, the Group will allocate the transaction price to each single performance obligation at the beginning of the contract according to the relative proportion of the single price of the goods or services promised by each single performance obligation, and measure the income according to the transaction price allocated to each single performance obligation.

The transaction price refers to the amount of consideration the Group expects to be entitled to receive for the transfer of goods or services to customers, excluding amounts received on behalf of third parties. The transaction price recognized by the Group shall not exceed the amount that the accumulated recognized income is unlikely to have a significant reversal when the relevant uncertainty is eliminated. The amount expected to be returned to customers is accounted for as liabilities and is not included in the transaction price. If the contract contains a significant financing element, the Group determines the transaction price according to the amount payable in cash, assuming that the customer obtains the control right of goods or services. The difference between the transaction price and the contract consideration shall be amortized with the effective interest method during the contract period. At the commencement date of the contract, if the Group expects that the interval between the customer's acquisition of control over the goods or services and the customer's payment

will be less than one year, the significant financing elements in the contract shall not be considered.

If one of the following conditions is met, the Group shall perform the performance obligation within a certain period of time; otherwise, it shall perform the performance obligation at a certain point in time:

(1) The customer obtains and consumes the economic benefits arising from the Group's performance at the time of the Group's performance.

(2) The customer can control the goods under construction during the Group's performance.

(3) The goods produced during the Group's performance have irreplaceable uses, and the Group has the right to collect money for the performance part that has been completed so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Group shall recognize the revenue according to the performance progress within that period, while the performance progress shall be determined by the input or output method. When the progress of performance is not reasonably determinable, if the costs already incurred by the Group are expected to be reimbursed, revenue is recognized in the amount of the costs already incurred until the progress of performance can be reasonably determined.

For the performance obligations performed at a point in time, the Group recognizes revenue at the point in time when the customer obtains control of the relevant goods or services. In determining whether a customer has acquired control of the goods or services, the Group considers the following indications:

(1) The Group has a present right to receive payment for the goods or services.

(2) The Group has transferred legal ownership of the goods to the customer.

(3) The Group has physically transferred the goods to the customer.

(4) The Group has transferred the principal risks and rewards of ownership of the goods to the customer.

(5) The customer has accepted the goods or services, etc.

The Group's rights to receive consideration for goods or services that have been transferred to customers are presented as contract assets, and contract assets are impaired based on expected credit losses. The Group's unconditional right to receive consideration from customers is presented as a receivable. The Group's obligation to transfer goods or

services to customers for consideration received or receivable is presented as a contractual liability.

34. Contract Costs

(1) Method of Determining the Amount of Assets Related to Contract Costs

The Group's assets related to contract costs include contract performance costs and contract acquisition costs.

Contract performance costs, which are costs incurred by the Group to perform a contract that are not regulated by other ASBEs and that also meet the following conditions, are recognized as contract performance costs as an asset: the costs are directly related to a current contract or expected contract to be obtained, including direct labor, direct materials, manufacturing costs (or similar costs), costs explicitly borne by the customer and other costs incurred solely as a result of that contract; the costs increase the Group's future resources available to meet its performance obligations; and the costs are expected to be recovered.

Contract acquisition costs, i.e., incremental costs incurred by the Group to acquire a contract that are expected to be recovered, are recognized as an asset; if the amortization period of the asset does not exceed one year, it is charged to profit or loss as incurred. Incremental costs are costs that would not have been incurred had the Group not obtained the contract (e.g., sales commissions). Expenses incurred by the Group to obtain a contract other than incremental costs expected to be recovered (such as travel expenses that would have been incurred regardless of whether the contract was obtained) are charged to profit or loss as incurred, except for those explicitly borne by the customer.

(2) Amortization of Assets Related to Contract Costs

The Group's assets related to contract costs are amortized to the current profit or loss using the same basis as that used to recognize revenue from the goods to which the assets relate.

(3) Impairment of Assets Related to Contract Costs

In determining impairment losses on assets related to contract costs, the Group first determines impairment losses on other assets related to contracts recognized in accordance with other relevant ASBEs; then, if the book value of the assets is higher than the sum of the remaining consideration that the Group expects to obtain for the transfer of the goods related to the assets and the estimated costs to be incurred for the transfer of the related goods, a provision for impairment should be made for the difference, and the difference should be recognized as impairment losses on assets.

If there is a subsequent change in the factors for impairment in previous periods, such that the aforementioned difference is higher than the book value of the assets, the original provision for impairment is reversed and recognized in the current profit or loss, but the book value of the reversed assets should not exceed the book value of the assets at the date of reversal assuming no provision for impairment was made.

35. Government grants

Government grants are monetary assets or non-monetary assets acquired by the Group from the government without consideration. Government grants are recognised when the grants can be received and the Group can comply with all attached conditions.

If the government grant is a monetary asset, it shall be measured according to the amount received. For the grants allocated according to a fixed flat rate, or when there is conclusive evidence at year-end that the relevant conditions specified in the financial support policy can be met and the financial support funds are expected to be received, the grants are measured at the amount receivable. If the government grant is a non-monetary asset, it shall be measured according to the fair value, if the fair value cannot be obtained reliably, it shall be measured according to the nominal amount (RMB 1).

The Group's government grants are classified as asset-related government grants and revenue-related government grants. Among them, asset-related government grants refer to those obtained by the Group for the acquisition and construction or other formation of long-term assets; revenue-related government grants refer to those other than asset-related government grants. If the recipients of the grants are not specified in the government documents, the Group will judge in accordance with the above principle of distinction, and if it is difficult to distinguish, it will be classified as revenue-related government grants as a whole.

Asset-related government grants are written down to the book value of the related assets or recognized as deferred income.

Asset-related government grants recognized as deferred income are recognized in profit or loss over the useful life of the related assets in accordance with a reasonable and systematic method.

If the relevant assets are sold, transferred, scrapped, or damaged before the end of their service life, the balance of relevant deferred income that has not been allocated shall be transferred to the profits and losses of the current period of asset disposal.

Revenue-related government grants that are used to compensate for related costs and expenses or losses in subsequent periods are recognized as deferred revenue and charged to

profit or loss or written down to related costs in the period in which the related costs and expenses or losses are recognized; those used to compensate for related costs and expenses or losses already incurred are charged directly to the current profit or loss or written down to related costs. Government grants related to daily activities are charged to other income or offset against the related costs and expenses, depending on the substance of the economic operations. Government grants that are not related to daily activities are included in non-operating income and expenses.

When the Group obtains policy-based preferential loan subsidies, based on whether the subsidies are allocated to the lending banks or to the Group, the Group accounts for them in accordance with the following principles:

(1) If the interest subsidies are allocated to the lending bank and the lending bank provides a loan to the Group at a policy-based preferential interest rate, the Group uses the actual amount received as the recorded value of the borrowing and calculates the related borrowing costs based on the principal amount of the borrowing and the policy-based preferential interest rate (or uses the fair value of the borrowing as the recorded value of the borrowing and calculates the borrowing costs based on the effective interest method, and the difference between the actual amount received and the fair value of the borrowing is recognized as deferred income. The deferred income is amortized over the life of the borrowing using the effective interest method and is offset against related borrowing costs.

(2) The finance will directly allocate the discount fund to the Group, and the Group will offset the corresponding discount against the relevant borrowing costs.

If the recognized government grants of the Group need to be returned, the accounting treatment shall be carried out according to the following provisions in the period when they need to be returned:

1) If the book value of relevant assets is offset at the time of initial recognition, the book value of assets shall be adjusted.

2) If there is relevant deferred income, the book balance of relevant deferred income shall be offset, and the excess part shall be included in the current profit or loss.

3) In other cases, it is recognized directly in the current profit or loss.

36. Deferred Tax Assets and Deferred Tax Liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized based on the difference between the tax bases of assets and liabilities and their book values (temporary differences). For deductible losses and tax offsets that can be offset against taxable income in future years in accordance with the provisions of the tax law, corresponding deferred tax

assets are recognized. For temporary differences arising from the initial recognition of goodwill, no corresponding deferred tax liabilities are recognized. For temporary differences resulting from the initial recognition of assets or liabilities arising from non-business combination transactions that affect neither accounting profit nor taxable income (or deductible losses), the corresponding deferred tax assets and deferred tax liabilities are not recognized. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the assets are recovered or the liabilities are settled.

The Group recognizes deferred tax assets arising from deductible temporary differences based on the taxable income used to offset deductible temporary differences that the Group is likely to receive.

The book value of deferred tax assets recognized should be written down when it is probable that sufficient taxable income will not be available to offset the deferred tax assets in future periods. The write-downs are reversed when it is probable that sufficient taxable income will be available.

37. Leases

A lease is a contract whereby the lessor transfers the right to use the asset to the lessee for consideration within a certain period of time. On the contract inception date, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if a party to a contract transfers its right to control the use of one or more identified assets for a period of time in exchange for consideration. In order to determine whether the contract transfers the right to control the use of the identified asset for a certain period, the Group evaluates whether the customer in the contract has the right to receive almost all the economic benefits arising from the use of the identified asset during the period of use, and has the dominate right to use the identified asset during the period of use.

If the contract contains multiple separate leases at the same time, the Group will split the contract and account for each separate lease separately. If the contract contains both lease and non-lease parts, the Group will separate the lease and non-lease parts for accounting treatment.

(1) The Group as the lessee

On the commencement date of the lease term, the Group recognizes the right-of-use asset and lease liability for the lease.

The right-of-use asset is initially measured at cost, including the initial measurement amount of the lease liability, lease payments made on or before the commencement date of

the lease term (net of the amount related to the lease incentives already enjoyed), initial direct costs incurred, and costs incurred for dismantling and removal. The Group uses the straight-line method to depreciate right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the Group will accrue depreciation over the remaining useful life of the leased asset. Otherwise, the leased asset is depreciated over the shorter of the lease term and the remaining useful life of the leased asset.

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date of the lease term, discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the Group adopts the incremental borrowing rate as the discount rate.

The Group calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and includes it in the current profit or loss or the cost of related assets. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit or loss or the cost of related assets.

After the commencement date of the lease term, if the following circumstances occur, the Group re-determines the lease payment amount and re-measures the lease liability based on the present value of the changed lease payment amount and the revised discount rate: changes in the evaluation as a result of the purchase option, lease renewal option or lease termination option, the actual exercise of the lease renewal option or lease termination option is inconsistent with the original evaluation results, etc., resulting in changes in the lease term; change in the amount payable based on the residual value of the guarantee, or change in an index or ratio used to determine lease payments.

When the lease liability is remeasured, the Group adjusts the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group will include the remaining amount in the current profit or loss.

The Group has chosen not to recognize right-of-use assets and lease liabilities for short-term leases (leases with a lease term of not more than 12 months) and low-value asset leases and has included in the current profit or loss for the relevant lease payments on a straight-line basis over each period of the lease term.

(2) The Group as the lessor

On the lease commencement date, the company classifies leases into finance leases and operating leases. A finance lease is a lease that substantially transfers all the risks and rewards associated with ownership of the leased asset, regardless of whether ownership is ultimately transferred. Operating leases refer to leases other than finance leases.

When the Group acts as a sublease lessor, it classifies the sublease based on the right-of-use asset arising from the original lease rather than the underlying asset of the original lease. If the original lease is a short-term lease and the Group chooses to apply the above-mentioned simplified treatment of short-term lease to the original lease, the Group classifies the sublease as an operating lease.

Under the finance lease, on the commencement date of the lease period, the Group recognizes the financial lease receivables for the financial lease and derecognizes the financial lease assets. When the Group initially measures the finance lease receivables, the net investment in the lease is taken as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term, discounted at the interest rate implicit in the lease.

The Group calculates and recognizes the interest income in each period of the lease period according to the fixed periodic interest rate. Variable lease payments that are not included in the net lease investment measurement are included in the current profit or loss when they are actually incurred.

Under the operating lease, during each period of the lease term, the Group adopts the straight-line method (or other systematic and reasonable method) to recognize the lease receipts from operating leases as rental income. The initial direct costs related to operating leases are capitalized and amortized on the same basis as rental income during the lease term and are included in the current profit or loss. Variable lease payments not included in lease receipts are included in profit or loss for the period when they are actually incurred.

38. Held-for-sale

(1) The Group divides the non-current assets or disposal groups meeting the following conditions into held-for-sale: i. According to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current situation; ii. The sale is very likely to occur; that is, a decision has been made on a sale plan and a firm purchase commitment has been obtained, and the sale is expected to be completed within one year. If the relevant provisions require the approval of relevant authorities or regulatory authorities before the sale, relevant approval shall be obtained. Before the Group divides the non-current assets or disposal group into held-for-sale categories for the first time, the book

value of various assets and liabilities in the non-current assets or disposal group shall be measured in accordance with relevant accounting standards. When initial measurement or re measurement of non-current assets or disposal group held-for-sale on the balance sheet date, if the book value is higher than the net amount of fair value minus selling expenses, the book value shall be written down to the net amount of fair value minus selling expenses, and the written down amount shall be recognized as asset impairment loss and included in the current profit or loss, and provision for impairment of assets held-for-sale shall be made at the same time.

(2) The non-current assets or disposal group obtained by the Group for resale shall be classified as held-for-sale on the acquisition date if they meet the specified conditions of "the sale is expected to be completed within one year" on the acquisition date and are likely to meet other classification conditions of held-for-sale categories in a short term (usually three months). In the initial measurement, compare the initial measurement amount and the net amount of fair value minus selling expenses under the assumption that it is not divided into held-for-sale categories, and measure it by the lower one. Except for the non-current assets or disposal group obtained in the business combination, the difference arising from the initial measurement of the net amount of the non-current assets or disposal group after the fair value minus the selling expenses is included in the current profits and losses.

(3) If the Group loses control over a subsidiary due to, for example, the sale of its investment in the subsidiary, regardless of whether the Group retains part of its equity investment after the sale, when the investment in the subsidiary to be sold meets the conditions for classification as held-for-sale, the investment in the subsidiary as a whole is classified as held-for-sale in the parent company's separate financial statements, and all assets and liabilities of the subsidiary are classified as held-for-sale in the consolidated financial statements.

(4) If the net amount of the fair value of the non-current assets held-for-sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized after being divided into the categories held-for-sale, and the reversed amount shall be included in the current profits and losses. The impairment loss of assets recognized before being classified as held-for-sale shall not be reversed.

(5) For the assets impairment loss amount recognized by the disposal group held-for-sale, the book value of goodwill in the disposal group shall be offset first, and then the book value shall be offset in proportion according to the proportion of the book value of various non-current assets.

If the net amount of the fair value of the disposal group held-for-sale minus the selling expenses increases on the subsequent balance sheet date, the amount previously written down shall be restored and reversed within the amount of asset impairment loss recognized by non-current assets applicable to relevant measurement provisions after being classified as held-for-sale, and the reversed amount shall be included in the current profits and losses. The book value of the offset goodwill and the impairment loss of non-current assets recognized before they are classified as held-for-sale shall not be reversed.

The subsequent reversal amount of the asset impairment loss recognized by the disposal group held-for-sale shall be increased in proportion to the book value of all non-current assets in the disposal group, except goodwill.

(6) Non-current assets held-for-sale or non-current assets in the disposal group are not subject to depreciation or amortization, and the interest and other expenses of liabilities in the disposal group held-for-sale are continuously recognized.

(7) When the non-current assets or disposal group held-for-sale are no longer classified as held-for-sale because they no longer meet the classification conditions of held-for-sale, or the non-current assets are removed from the disposal group held-for-sale, they shall be measured according to the lower of the following two: i. the book value before classified as held-for-sale should have been recognized under the assumption that they are not classified as held-for-sale; ii. the recoverable amount.

(8) When the non-current assets or disposal group held-for-sale are derecognized, the unrecognized gains or losses shall be included in the current profits and losses.

39. Measurement at Fair Value

(1) Initial Measurement at Fair Value

For the assets and liabilities measured at fair value, considering the characteristics of the assets or liabilities, the Group measures the fair value at the price that the market participants can receive by selling an asset or pay by transferring a liability in the orderly transaction on the measurement date. When the relevant assets or liabilities are measured at fair value, the transaction of market participants selling assets or transferring liabilities on the measurement date is an orderly transaction under the current market conditions; the orderly transaction of selling assets or transferring liabilities is conducted in the main market of relevant assets or liabilities. If there is no major market, it is assumed that the transaction is conducted in the most favorable market for the relevant assets or liabilities; the assumption used by market participants to maximize their economic benefits when pricing the assets or liabilities is adopted. When measuring non-financial assets at fair value, the ability of market participants

to generate economic benefits by using the assets for the best use or by selling the assets to other market participants that can be used for the best use shall be considered.

(2) Valuation Technology

The Group measures relevant assets or liabilities at fair value and adopts valuation techniques that are applicable in the current situation and are supported by sufficient available data and other information. The valuation techniques used mainly include a market method, an income method, and a cost method. When applying valuation techniques, relevant observable input values are preferred, only when relevant observable input values cannot be obtained or cannot be obtained the unobservable input value is used only when it is feasible.

(3) Fair Value Hierarchy

The Group determines the level of fair value measurement results according to the lowest level of the input value which is of great significance to the fair value measurement as a whole: the first level of input value is the unadjusted quoted price of the same assets or liabilities that can be obtained on the measurement date in the active market. An active market refers to a market where the trading volume and frequency of relevant assets or liabilities are sufficient to provide pricing information. The second level input value is the directly or indirectly observable input value of related assets or liabilities in addition to the first level input value. The third level input value is the unobservable input value of related assets or liabilities.

40. Accounting Treatment of Financial Asset Transfers and Non-financial Asset Securitization

If a financial asset is transferred, it shall be judged according to the transfer of almost all the risks and rewards of the ownership of the relevant financial asset: if all the risks and rewards of the ownership of the relevant financial asset have been transferred, the recognition of the corresponding financial asset shall be terminated; if almost all the risks and rewards of the ownership of the relevant financial asset have not been transferred and retained, the recognition shall not be terminated; if the ownership of the relevant financial asset has not been transferred or retained, the recognition shall not be terminated If it has almost all the risks and rewards in the right, it shall decide whether to terminate the recognition according to the degree of control over the financial asset: if it has given up the control over the financial asset, it shall terminate the recognition of the financial asset; if it has not given up the control over the financial asset, it shall recognize the relevant financial asset according to the degree of its continuous involvement in the financial asset, and recognize the relevant liabilities accordingly. If the financial assets are in line with the overall

derecognition, the difference between the consideration received by the transfer and the corresponding book value shall be included in the current profits and losses, and the accumulated changes in the fair value of the relevant financial assets originally directly included in the owner's equity shall also be included in the current profits and losses; If the conditions for termination of recognition of partial transfer are met, the book value of the whole financial asset involved in the transfer shall be apportioned between the terminated part and the non-terminated part according to their respective relative fair value, and the partially transferred part shall be treated according to the apportioned book value. If the conditions for derecognition are not met, the consideration received shall be recognized as a financial liability.

41. Discontinued Operations

A discontinued operation refer to the component of the Group that meets one of the following conditions and can be distinguished separately, and the component has been disposed of or divided into held for sale categories: (1) The component represents an independent main business or a separate main business area; (2) The component is a part of an associated plan that is intended to dispose of an independent main business or a separate main business area; (3) The component is a subsidiary acquired specifically for resale.

V. TAXATION

Type of tax	Tax base	Tax rate
Value-added tax	The taxable amount is the difference between the output VAT and the deductible input VAT	13%, 11%, 9%, 6%, 5%, 3%, 2%
Urban maintenance and construction tax	Levied on actual consumption tax and VAT paid	7%, 5%, 3%, 1%
Corporate income tax	Levied on taxable income	34%, 30%, 27%, 25%, 21%, 20%, 17%, 16.5%, 15%, 12.5%, 10%, 8.48%
Education surcharges	Levied on actual consumption tax and VAT paid	5%, 3%
Local education surcharge	Levied on actual consumption tax and VAT paid	2%, 1.5%, 1%
Real estate tax	If levied on an ad valorem basis, 1.2% of the remaining value after a one-time deduction of 30% from the original value of the property; if levied on a rental basis, 12% of the rental income	12%, 1.2%

Note: Of the offshore national and regional income tax rates, 34% is the Brazilian tax rate, 30% is the Australian tax rate, 27% is the Chilean tax rate, 21% is the US federal tax rate, 17% is the Singaporean tax rate, and 8.48% is the US local tax rate.

VI. BUSINESS COMBINATION AND CONSOLIDATED FINANCIAL STATEMENTS

The number of entities included in the Company's 2024 consolidation totaled 2,358, a net increase of 52 from 2,410 in 2023.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and Cash Equivalents

Item	31 December 2024	31 December 2023	31 December 2022
Cash in hand	21.41	16.46	17.11
Bank deposits	62,466.03	91,788.81	113,001.45
Other monetary assets	7,362.33	6,740.98	5,907.41
Total	**69,849.77**	**98,546.25**	**118,925.97**
Including: Total amount deposited abroad	10,152.85	11,937.89	10,802.84

2. Financial Assets Held for Trading

Item	31 December 2024	31 December 2023	31 December 2022
Financial assets classified as at fair value through profit or loss	87,014.80	80,943.05	72,466.82
Including: Investment in debt instruments	66,973.54	39,097.80	34,005.57
Investments in equity instruments	20,041.26	41,845.25	38,219.75
Others			241.50
Total	**87,014.80**	**80,943.05**	**72,466.82**

3. Notes Receivable

Types of notes	31 December 2024		
	Book balance	Provision for bad debts	Book value
Bank acceptance	6,338.25		6,338.25
Commercial acceptance	152.82	6.17	146.65
Total	**6,491.07**	**6.17**	**6,484.90**

(Continued)

Types of notes	31 December 2023		
	Book balance	Provision for bad debts	Book value
Bank acceptance	8,627.36		8,627.36
Commercial acceptance	115.36	4.81	110.55
Total	**8,742.72**	**4.81**	**8,737.91**

(Continued)

Types of notes	31 December 2022		
	Book balance	Provision for bad debts	Book value
Bank acceptance	12,477.78		12,477.78
Commercial acceptance	326.94	9.96	316.98
Total	**12,804.72**	**9.96**	**12,794.76**

4. Accounts Receivable

(1) Account Receivables Using Aging Analysis

Age of Account	31 December 2024	
	Book balance	Provision for bad debts
Less than 1 year (incl. 1 year)	252,959.57	4,230.14
1-2 years	18,494.25	2,386.25
2-3 years	8,285.97	4,459.19
More than 3 years	10,779.00	9,746.36
Total	**290,518.79**	**20,821.94**

(Continued)

Age of Account	31 December 2023	
	Book balance	Provision for bad debts
Less than 1 year (incl. 1 year)	245,942.76	3,962.73
1-2 years	21,244.32	2,348.88
2-3 years	8,798.00	3,402.98
More than 3 years	10,563.06	8,830.88
Total	**286,548.14**	**18,545.47**

(Continued)

Age of Account	31 December 2022	
	Book balance	Provision for bad debts
Less than 1 year (incl. 1 year)	251,169.51	4,512.20
1-2 years	16,980.22	1,569.10
2-3 years	6,104.43	2,504.76
More than 3 years	11,710.99	9,142.26

Age of Account	31 December 2022	
	Book balance	Provision for bad debts
Total	**285,965.15**	**17,728.32**

(2) Account Receivables Using the Method of Provision for Bad Debts

Category	31 December 2024				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss rate/percentage of accruals (%)	
Accounts receivable with provision for bad debt accrued on a single item basis	4,506.03	1.55	2,795.85	62.05	1,710.18
Accounts receivable with provision for bad debt accrued on combination of credit risk characteristics	286,012.76	98.45	18,026.09	6.30	267,986.67
Total	**290,518.79**	**100.00**	**20,821.94**	**7.17**	**269,696.85**

(Continued)

Category	31 December 2023				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss rate/percentage of accruals (%)	
Accounts receivable with provision for bad debt accrued on a single item basis	3,689.58	1.29	2,282.41	61.86	1,407.17
Accounts receivable with provision for bad debt accrued on combination of credit risk characteristics	282,858.56	98.71	16,263.06	5.75	266,595.50
Total	**286,548.14**	**100.00**	**18,545.47**	**6.47**	**268,002.67**

(Continued)

Category	31 December 2022				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss rate/percentage of accruals (%)	
Accounts receivable with provision for bad debt accrued on a single item basis	3,255.13	1.14	2,304.39	70.79	950.74
Accounts receivable with provision for bad debt accrued on combination of credit risk characteristics	282,710.02	98.86	15,423.93	5.46	267,286.09
Total	**285,965.15**	**100.00**	**17,728.32**	**6.20**	**268,236.83**

5. Advances to Suppliers

Age of Account	31 December 2024		
	Book balance		Provision for bad debts
	Amount	Proportion (%)	
Less than 1 year (incl. 1 year)	11,191.36	81.46	
1-2 years	1,851.84	13.48	
2-3 years	414.11	3.01	
More than 3 years	281.94	2.05	
Total	**13,739.25**	**100.00**	

(Continued)

Age of Account	31 December 2023		
	Book balance		Provision for bad debts
	Amount	Proportion (%)	
Less than 1 year (incl. 1 year)	15,483.71	87.64	
1-2 years	1,435.97	8.13	
2-3 years	274.39	1.55	
More than 3 years	473.25	2.68	
Total	**17,667.32**	**100.00**	

(Continued)

Age of Account	31 December 2022		
	Book balance		Provision for bad debts
	Amount	Proportion (%)	
Less than 1 year (incl. 1 year)	14,641.12	78.63	
1-2 years	2,767.79	14.87	
2-3 years	504.27	2.71	
More than 3 years	705.57	3.79	
Total	**18,618.75**	**100.00**	

6. Other Receivables

Item	31 December 2024	31 December 2023	31 December 2022
Interests Receivable		13.07	207.39
Dividends Receivable	1,016.87	564.38	645.05
Other Receivables	10,904.66	16,605.75	19,494.21
Total	**11,921.53**	**17,183.20**	**20,346.65**

(1) Interests Receivable

Item	31 December 2024	31 December 2023	31 December 2022
Entrusted loan	50.33	51.82	174.29
Buying back the sale of financial assets	0.00	5.24	5.24
Others	6.19	17.77	120.20
Sub-total	56.52	74.83	299.73

Item	31 December 2024	31 December 2023	31 December 2022
Less: impairment provision on interests receivable	56.52	61.76	92.34
Total		**13.07**	**207.39**

(2) Dividends Receivable

Item	31 December 2024	31 December 2023	31 December 2022
Dividends receivable with age of account less than 1 year	857.90	366.77	386.13
Dividends receivable with age of account more than 1 year	158.97	197.61	258.92
Total	**1,016.87**	**564.38**	**645.05**

(3) Other Receivables

1) Other Receivables Disclosed Using Aging Analysis

Age of Account	31 December 2024		31 December 2023		31 December 2022	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Less than 1 year (incl. 1 year)	9,733.32	533.25	12,330.71	502.45	12,180.74	486.32
1-2 years	1,501.57	294.05	2,030.27	246.10	5,027.05	189.98
2-3 years	771.88	461.99	1,861.85	338.11	1,287.27	638.11
More than 3 years	4,558.26	4,371.08	5,831.34	4,361.76	6,896.65	4,583.09
Total	**16,565.03**	**5,660.37**	**22,054.17**	**5,448.42**	**25,391.71**	**5,897.50**

2) Other Receivables Using the Method of Provision for Bad Debts

Category	31 December 2024				
	Book balance		Provision for bad debts		Book value
	Amount	%	Amount	Expected credit loss rate/percentage of accruals (%)	
Other receivables with provision for bad debt accrued on a single item basis	2,636.09	15.91	2,599.71	98.62	36.38
Other receivables with provision for bad debt accrued on combination of credit risk characteristics	13,928.94	84.09	3,060.66	21.97	10,868.28
Total	**16,565.03**	**100.00**	**5,660.37**	**34.17**	**10,904.66**

(Continued)

Category	31 December 2023				
	Book balance		Provision for bad debts		Book value
	Amount	%	Amount	Expected credit loss rate/percentage of accruals (%)	
Other receivables with provision for bad debt accrued on a single item basis	3,013.97	13.67	2,916.32	96.76	97.65
Other receivables with provision for bad debt accrued on combination of credit risk characteristics	19,040.20	86.33	2,532.10	13.30	16,508.10
Total	**22,054.17**	**100.00**	**5,448.42**	**24.70**	**16,605.75**

(Continued)

Category	31 December 2022				
	Book balance		Provision for bad debts		Book value
	Amount	%	Amount	Expected credit loss rate/percentage of accruals (%)	
Other receivables with provision for bad debt accrued on a single item basis	3,041.64	11.98	2,841.06	93.41	200.58
Other receivables with provision for bad debt accrued on combination of credit risk characteristics	22,350.07	88.02	3,056.44	13.68	19,293.63
Total	**25,391.71**	**100.00**	**5,897.50**	**23.23**	**19,494.21**

7. Inventories

Item	31 December 2024		
	Book balance	Provision for decline in value/impairment of contract performance costs	Book value
Raw materials	19,843.00	274.71	19,568.29
Self-made semi-finished products and work-in-progress products	4,156.84	413.99	3,742.85
Goods in stock (finished goods)	8,005.17	302.23	7,702.94
Working capital materials (packaging, low-value consumables, etc.)	266.54	0.84	265.70
Contract performance costs	75,299.92	74.36	75,225.56
Consumable biological assets	25.73		25.73
Others	1,953.98	70.22	1,883.76
Total	**109,551.18**	**1,136.35**	**108,414.83**

(Continued)

Item	31 December 2023		
	Book balance	Provision for decline in value/impairment of contract performance costs	Book value
Raw materials	20,965.03	323.17	20,641.86
Self-made semi-finished products and work-in-progress products	4,325.36	23.32	4,302.04
Incl.: development costs	1,223.67	15.56	1,208.11
Goods in stock (finished goods)	8,032.72	278.76	7,753.96
Incl.: developed products	1,221.36	125.22	1,096.14
Working capital materials (packaging, low-value consumables, etc.)	251.74	0.84	250.90
Contract performance costs	104,595.98	119.89	104,476.09
Consumable biological assets	25.35		25.35
Others	2,684.73	58.59	2,626.14
Total	**140,880.91**	**804.57**	**140,076.34**

(Continued)

Item	31 December 2022		
	Book balance	Provision for decline in value/impairment of contract performance costs	Book value
Raw materials	22,946.29	299.14	22,647.15
Self-made semi-finished products and work-in-progress products	4,861.37	15.56	4,845.81
Incl.: development costs	1,314.49	15.56	1,298.93
Goods in stock (finished goods)	11,965.18	342.21	11,622.97
Incl.: developed products	705.07		705.07
Working capital materials (packaging, low-value consumables, etc.)	3,048.59	49.54	2,999.05
Contract performance costs	112,018.35	406.40	111,611.95
Consumable biological assets	26.54		26.54
Others	568.29	0.84	567.45
Total	**155,434.61**	**1,113.69**	**154,320.92**

8. Contract Assets

Item	31 December 2024		
	Book balance	Impairment provision	Book value
Contract Assets	43,304.83	4,180.23	39,124.60

(Continued)

Item	31 December 2023		
	Book balance	Impairment provision	Book value
Contract Assets	42,080.39	3,379.78	38,700.61

(Continued)

Item	31 December 2021		
	Book balance	Impairment provision	Book value
Contract Assets	36,383.16	2,806.29	33,576.87

9. Non-current Assets Due within One Year

Item	31 December 2024	31 December 2023	31 December 2022
Entrusted loans due within 1 year		724.41	1,018.09
Long-term receivables due within 1 year	13,033.50	13,719.74	6,763.41
Debt investments due within 1 year	3,140.49	3,611.46	850.84
Other debt investments due within 1 year	5,138.32	6,306.11	1,250.65
Other long-term assets due within 1 year	703.65	705.87	7,341.92
Total	**22,015.96**	**25,067.59**	**17,224.91**

10. Other Current Assets

Item	31 December 2024	31 December 2023	31 December 2022
Input tax to be deducted/certified	45,709.49	39,864.21	15,249.85
Prepaid VAT and others	9,149.97	8,037.07	3,948.37
Currency margins receivable	793.41	714.84	1,871.77
Deposits paid	274.62	376.23	160.43
Settlement deposits receivable	10.00	10.00	10.00
Pledge deposits receivable	57.71	23.83	312.95
Others	26,922.32	29,161.05	47,764.13
Total	**82,917.52**	**78,188.23**	**69,317.50**

11. Debt Investments

Item	31 December 2024		
	Book balance	Impairment provision	Book value
Bonds	66,752.05	19.29	66,732.76
Debt investment plan	380.82	0.17	380.65
Trust investment plan	276.70	50.76	225.94
Others	425.20	41.81	383.39
Total	**67,834.77**	**112.03**	**67,722.74**

(Continued)

Item	31 December 2023		
	Book balance	Impairment provision	Book value
Bonds	53,468.73	9.08	53,459.65
Debt investment plan	1,000.92	0.65	1,000.27
Trust investment plan	1,562.09	57.82	1,504.27
Others	354.37	41.53	312.84
Total	**56,386.11**	**109.08**	**56,277.03**

(Continued)

Item	31 December 2022		
	Book balance	Impairment provision	Book value
Bonds	25,237.78	5.91	25,231.87
Debt investment plan	2,266.83	224.30	2,042.53
Trust investment plan	3,694.18	76.16	3,618.02
Others	1,550.41	240.86	1,309.55
Total	**32,749.20**	**547.23**	**32,201.97**

12. Other Debt Investments

Item	31 December 2024	31 December 2023	31 December 2022
Bonds	43,933.75	21,295.43	29,634.79
Debt investment plan	831.89	2,172.59	4,547.89
Trust investment plan	1,095.02	2,025.76	3,630.86
Others			919.33

Item	31 December 2024	31 December 2023	31 December 2022
Total	**45,860.66**	**25,493.78**	**38,732.87**

13. Long-term Receivables

Item	31 December 2024		
	Book balance	Provision for bad debts	Book value
Financial leases	23,402.51	1,479.37	21,923.14
Incl.: unrealized financing income	2,262.58		2,262.58
Installment sales of goods	0.56		0.56
Others	46,535.22	248.59	46,286.63
Total	**69,938.29**	**1,727.96**	**68,210.33**

(Continued)

Item	31 December 2023		
	Book balance	Provision for bad debts	Book value
Financial leases	27,007.34	1,545.38	25,461.96
Incl.: unrealized financing income	2,893.45		2,893.45
Installment sales of goods	1.29		1.29
Others	50,009.03	266.43	49,742.60
Total	**77,017.66**	**1,811.81**	**75,205.85**

(Continued)

Item	31 December 2022		
	Book balance	Provision for bad debts	Book value
Financial leases	33,933.69	1,755.95	32,177.74
Incl.: unrealized financing income	3,810.80		3,810.80
Installment sales of goods	2.41		2.41
Others	46,675.80	244.19	46,431.61
Total	**80,611.90**	**2,000.14**	**78,611.76**

14. Long-term Equity Investment

Item	31 December 2024	31 December 2023	31 December 2022
Investments in subsidiaries	165.27	357.56	713.97
Investments in joint ventures	18,968.40	20,634.16	19,106.90

Item	31 December 2024	31 December 2023	31 December 2022
Investments in associates	182,411.85	182,268.58	173,631.84
Sub-total	201,545.52	203,260.30	193,452.71
Less: impairment provision	193.73	372.70	822.09
Total	**201,351.79**	**202,887.60**	**192,630.62**

15. Investment Properties

(1) Investment Properties Measured at Cost

Item	31 December 2024	31 December 2023	31 December 2022
Total book value	**28,434.84**	**26,493.90**	**23,931.06**
Incl.: plant & buildings	28,000.48	26,046.24	23,510.36
Land usage rights	434.36	447.66	420.70
Total accumulated depreciation (amortization)	**13,447.18**	**12,347.62**	**10,525.71**
Incl.: plant & buildings	13,315.34	12,230.83	10,425.53
Land usage rights	131.84	116.79	100.18
Total net book value	**14,987.66**	**14,146.28**	**13,405.35**
Incl.: plant & buildings	14,685.14	13,815.41	13,084.83
Land usage rights	302.52	330.87	320.52
Total impairment provision	**1.56**	**1.56**	**0.02**
Incl.: plant & buildings	1.56	1.56	0.02
Land usage rights			
Total book value	**14,986.10**	**14,144.72**	**13,405.33**
Incl.: plant & buildings	14,683.58	13,813.85	13,084.81
Land usage rights	302.52	330.87	320.52

16. Fixed Assets

Item	31 December 2024	31 December 2023	31 December 2022
Fixed Assets	3,808,685.51	3,551,789.08	3,384,864.33
Disposal of Fixed Assets	1,627.13	1,495.17	884.43
Total	**3,810,312.64**	**3,553,284.25**	**3,385,748.76**

(1) Details of fixed assets

Item	31 December 2024	31 December 2023	31 December 2022
Total book value	**8,560,222.84**	**7,937,034.53**	**7,422,574.54**
Incl.: Land	7,732.70	7,896.68	7,797.28
Plant & buildings	1,029,449.74	952,575.83	888,095.77
Machinery and equipment	7,087,776.13	6,581,085.79	6,164,091.90
Transport vehicles	59,389.64	55,878.99	53,489.19
Electronics	324,344.36	289,207.20	264,794.38
Office equipment	40,393.08	37,042.76	31,606.78
Others	11,137.19	13,347.28	12,699.24
Total accumulated depreciation	**4,749,866.64**	**4,383,634.37**	**4,036,596.95**
Incl.: Land			
Plant & buildings	533,900.05	494,471.10	456,729.86
Machinery and equipment	3,931,557.41	3,632,246.18	3,345,993.78
Transport vehicles	39,722.10	37,610.98	35,921.28
Electronics	216,151.90	191,815.64	173,457.82
Office equipment	23,428.19	21,101.87	18,718.80
Others	5,106.99	6,388.60	5,775.41
Total net value of fixed assets	**3,810,356.20**	**3,553,400.16**	**3,385,977.59**
Incl.: Land	7,732.70	7,896.68	7,797.28
Plant & buildings	495,549.69	458,104.73	431,365.91
Machinery and equipment	3,156,218.72	2,948,839.61	2,818,098.12
Transport vehicles	19,667.54	18,268.01	17,567.91
Electronics	108,192.46	97,391.56	91,336.56
Office equipment	16,964.89	15,940.89	12,887.98
Others	6,030.20	6,958.68	6,923.83
Total provision for impairment of fixed assets	**1,670.69**	**1,611.09**	**1,113.26**
Incl.: Land			
Plant & buildings	651.81	751.23	326.89
Machinery and equipment	1,005.24	848.89	768.89
Transport vehicles	0.04	0.04	1.46

Item	31 December 2024	31 December 2023	31 December 2022
Electronics	10.68	8.14	13.27
Office equipment	2.40	2.37	2.33
Others	0.52	0.41	0.42
Total book value of fixed assets	**3,808,685.51**	**3,551,789.08**	**3,384,864.33**
Land assets	7,732.70	7,896.68	7,797.28
Plant & buildings	494,897.88	457,353.50	431,039.02
Machinery and equipment	3,155,213.48	2,947,990.72	2,817,329.22
Transport vehicles	19,667.50	18,267.97	17,566.45
Electronics	108,181.78	97,383.42	91,323.29
Office equipment	16,962.49	15,938.52	12,885.65
Others	6,029.68	6,958.27	6,923.42

(2) Disposal of Fixed Assets

Item	31 December 2024	31 December 2023	31 December 2022	Reasons for transfer to liquidation
Scrapped assets	1,627.13	1,495.17	884.43	Scrapped and not yet liquidated
Total	**1,627.13**	**1,495.17**	**884.43**	

17. Construction in Progress

Item	31 December 2024		
	Book balance	Impairment provision	Book value
Construction in progress	462,798.81	174.01	462,624.80
Incl.: infrastructure projects	354,621.06	168.01	354,453.05
Technological improvement projects	40,038.60		40,038.60
Other construction projects	68,139.15	6.00	68,133.15
Construction materials	12,352.51	1.06	12,351.45
Total	**475,151.32**	**175.07**	**474,976.25**

(Continued)

Item	31 December 2023		
	Book balance	Impairment provision	Book value
Construction in progress	426,955.59	180.73	426,774.86
Incl.: infrastructure projects	327,616.49	174.73	327,441.76

Item	31 December 2023		
	Book balance	Impairment provision	Book value
Technological improvement projects	33,575.29		33,575.29
Other construction projects	65,763.81	6.00	65,757.81
Construction materials	9,244.08	10.86	9,233.22
Total	**436,199.67**	**191.59**	**436,008.08**

(Continued)

Item	31 December 2022		
	Book balance	Impairment provision	Book value
Construction in progress	384,586.84	192.28	384,394.56
Incl.: infrastructure projects	292,680.91	184.54	292,496.37
Technological improvement projects	25,345.88	1.40	25,344.48
Other construction projects	66,560.05	6.34	66,553.71
Construction materials	10,944.30	13.87	10,930.43
Total	**395,531.14**	**206.15**	**395,324.99**

18. Right-of-use Assets

Item	31 December 2024	31 December 2023	31 December 2022
Total book value	**30,610.94**	**27,754.63**	**25,421.70**
Incl.: Land	656.39	591.13	384.70
Plant & buildings	11,204.02	10,793.07	10,386.66
Machinery and equipment	17,174.93	14,877.36	12,923.41
Others	1,575.60	1,493.07	1,726.93
Total accumulated depreciation	**13,723.57**	**11,936.80**	**9,882.35**
Incl.: Land	218.98	175.10	109.21
Plant & buildings	4,893.06	4,647.28	4,084.93
Machinery and equipment	7,744.08	6,433.43	5,037.10
Others	867.45	680.99	651.11
Total net book value	**16,887.37**	**15,817.83**	**15,539.35**
Incl.: Land	437.41	416.03	275.49

Item	31 December 2024	31 December 2023	31 December 2022
Plant & buildings	6,310.96	6,145.79	6,301.73
Machinery and equipment	9,430.85	8,443.93	7,886.31
Others	708.15	812.08	1,075.82
Total impairment provision			
Incl.: Land			
Plant & buildings			
Machinery and equipment			
Others			
Total book value	**16,887.37**	**15,817.83**	**15,539.35**
Incl.: Land	437.41	416.03	275.49
Plant & buildings	6,310.96	6,145.79	6,301.73
Machinery and equipment	9,430.85	8,443.93	7,886.31
Others	708.15	812.08	1,075.82

19. Intangible Assets

Item	31 December 2024	31 December 2023	31 December 2022
Total original cost	**200,901.02**	**199,155.27**	**180,550.64**
Incl.: software	77,050.62	64,973.35	55,410.24
Land usage rights	44,519.15	41,965.76	39,777.94
Patent rights	3,412.73	3,199.91	4,196.94
Non-patent technologies	1,222.11	1,105.81	913.08
Trademark rights	1.91	1.96	1.97
Copyrights	2,461.80	2,023.85	1,670.23
Concessions	67,192.09	80,320.42	73,506.74
Others	5,040.61	5,564.21	5,073.50
Total accumulated amortization	**83,013.65**	**79,944.41**	**68,061.49**
Incl.: software	41,954.49	36,280.15	31,091.43
Land usage rights	10,902.65	9,870.32	9,085.61
Patent rights	1,673.98	1,504.39	1,496.24
Non-patent technologies	578.70	522.72	460.34
Trademark rights	1.75	1.73	1.71

Item	31 December 2024	31 December 2023	31 December 2022
Copyrights	1,379.83	1,144.21	928.07
Concessions	25,417.19	29,493.96	23,928.63
Others	1,105.06	1,126.93	1,069.46
Total impairment provision	**127.30**	**135.54**	**128.82**
Incl.: software	0.48	0.48	0.62
Land usage rights	47.15	46.85	26.64
Patent rights	16.63	25.16	25.16
Non-patent technologies			
Trademark rights			
Copyrights	0.91	0.91	0.91
Concessions			
Others	62.13	62.14	75.49
Total book value	**117,760.06**	**119,075.33**	**112,360.33**
Incl.: software	35,095.65	28,692.72	24,318.19
Land usage rights	33,569.35	32,048.60	30,665.69
Patent rights	1,722.12	1,670.36	2,675.54
Non-patent technologies	643.41	583.09	452.74
Trademark rights	0.16	0.23	0.26
Copyrights	1,081.06	878.73	741.25
Concessions	41,774.90	50,826.46	49,578.11
Others	3,873.41	4,375.14	3,928.55

20. Goodwill

Name of investee or item resulting in goodwill	31 December 2024	31 December 2023	31 December 2022
Book balance	18,044.81	20,233.60	19,812.88
Less: Provision for impairment of goodwill	1,658.95	1,658.94	1,598.76
Total	**16,385.86**	**18,574.66**	**18,214.12**

21. Deferred Tax Assets and Deferred Tax Liabilities

Item	31 December 2024	31 December 2023	31 December 2022
	Deferred tax assets/liabilities	Deferred tax assets/liabilities	Deferred tax assets/liabilities
Deferred tax Assets	92,997.86	76,336.59	67,876.05
Deferred tax Liabilities	62,738.65	64,389.77	57,742.71

22. Other Non-current Assets

Item	31 December 2024	31 December 2023	31 December 2022
Long-term portion of contract assets	46,678.17	52,360.88	
Prepayment for the purchase of long-term assets	27,542.01	23,076.55	
Input tax to be deducted for more than 1 year	5,720.05	4,057.79	
Preliminary engineering fees	3,246.11	3,335.48	
Hedging instrument	3,549.73	3,231.58	3,602.76
Guarantee deposits paid	2,220.80	2,173.58	2,140.56
Receivable deposit for duty of life reinsurance	574.32	198.65	11.92
Receivable deposit for duty of long-term health reinsurance	39.58	31.15	46.39
Others	7,460.00	4,246.74	68,068.94
Total	**97,030.77**	**92,712.40**	**73,870.57**

23. Short-term Borrowings

Category of borrowings	31 December 2024	31 December 2023	31 December 2022
Pledged borrowings	39.00		33.05
Mortgaged borrowings	274.31	259.41	314.15
Guaranteed borrowings	193.00	497.29	594.02
Credit borrowings	512,744.79	272,306.51	327,735.61
Total	**513,251.10**	**273,063.21**	**328,676.83**

24. Notes Payable

Category	31 December 2024	31 December 2023	31 December 2022
Commercial acceptance	860.85	3,445.82	3,590.59
Bank acceptance	30,229.10	37,797.31	51,611.90
Total	**31,089.95**	**41,243.13**	**55,202.49**

25. Accounts Payable

Age of account	31 December 2024	31 December 2023	31 December 2022
Less than 1 year (incl. 1 year)	635,496.71	647,350.76	556,968.89
1-2 years	41,704.84	37,625.94	55,781.10
2-3 years	10,482.84	15,669.50	17,690.06
More than 3 years	8,537.10	10,864.23	12,271.61
Total	**696,221.49**	**711,510.43**	**642,711.66**

26. Advances from Customers

Age of account	31 December 2024	31 December 2023	31 December 2022
Less than 1 year (incl. 1 year)	1,112.85	1,231.96	1,332.48
More than 1 year	2,107.55	2,433.94	3,176.77
Total	**3,220.40**	**3,665.90**	**4,509.25**

27. Contract Liabilities

Item	31 December 2024	31 December 2023	31 December 2022
Engineering income received in advance	118,609.03	160,748.37	209,076.76
Electricity charges received in advance	90,328.71	75,747.11	84,889.37
Others	9,896.42	10,904.27	9,405.16
Total	**218,834.16**	**247,399.75**	**303,371.29**

28. Taxes and Surcharges Payable

Item	31 December 2024	31 December 2023	31 December 2022
Value-added tax	7,551.92	7,107.30	8,984.80
Corporate income tax	15,574.60	16,005.62	23,896.20
Real estate tax	1,093.06	1,009.71	911.88
Individual income tax	5,173.87	4,544.86	3,652.52
Others	3,182.70	4,154.60	2,955.02
Total	**32,576.15**	**32,822.09**	**40,400.42**

29. Other Payables

Item	31 December 2024	31 December 2023	31 December 2022
Interest payable	375.61	375.99	383.61
Dividends payable	1,604.29	5,738.14	11,097.59

Item	31 December 2024	31 December 2023	31 December 2022
Other payables	356,685.30	349,959.50	327,762.72
Total	**358,665.20**	**356,073.63**	**339,243.92**

30. Non-current Liabilities Due within One Year

Item	31 December 2024	31 December 2023	31 December 2022
Long-term borrowings due within 1 year	66,025.02	102,119.64	44,621.21
Bonds payable due within 1 year	34,879.75	27,648.60	71,479.59
Long-term payables due within 1 year	377.08	14,483.42	1,743.45
Lease liabilities due within 1 year	4,859.26	6,254.21	4,552.71
Provisions due within 1 year	140.95	181.96	
Other long-term liabilities due within 1 year	107.56	382.41	561.08
Total	**106,389.62**	**151,070.24**	**122,958.04**

31. Long-term Borrowings

Category of borrowings	31 December 2024	31 December 2023	31 December 2022
Pledged borrowings	4,189.11	4,121.03	4,851.74
Mortgaged borrowings	1,111.09	1,849.08	1,902.46
Guaranteed borrowings	10,950.53	18,314.73	22,992.15
Credit borrowings	499,787.47	514,962.33	370,198.10
Total	**516,038.20**	**539,247.17**	**399,944.45**

32. Bonds Payable

Item	31 December 2024	31 December 2023	31 December 2022
Enterprise bond	191,188.44	212,766.36	223,870.51
Medium-term note	53,846.24	51,082.84	95,468.81
Corporate bond	3,503.17	10,215.31	13,890.56
Sub-total	**248,537.85**	**274,064.51**	**333,229.88**
Less: Bonds payable due within 1 year	34,879.75	27,648.60	71,479.60
Total	**213,658.10**	**246,415.91**	**261,750.28**

33. Lease Liability

Item	31 December 2024	31 December 2023	31 December 2022
Lease payment	15,762.47	19,134.21	22,286.64

Item	31 December 2024	31 December 2023	31 December 2022
Less: Unrecognized financing expenses	2,209.37	2,214.19	1,591.21
Reclassified as non-current liabilities due within one year	4,859.26	6,254.21	4,552.70
Net lease liability	**8,693.84**	**10,665.81**	**16,142.73**

34. Long-term Payables

Item	31 December 2024	31 December 2023	31 December 2022
Long-term payables	10,897.88	12,693.72	22,320.98
Special payables	26,351.83	24,655.73	25,653.22
Total	**37,249.71**	**37,349.45**	**47,974.20**

35. Provisions

Item	31 December 2024	31 December 2023	31 December 2022
Pending litigation	3,627.07	4,404.43	4,510.16
Asset retirement obligation	304.74	409.96	
Loss contract to be executed	152.08	130.73	53.60
External guarantee		121.32	238.99
Product quality assurance	43.62	35.27	16.85
Others	1,427.98	1,834.88	2,097.64
Total	**5,555.49**	**6,936.59**	**6,917.24**

36. Paid-in Capital

Name of investor	31 December 2024		31 December 2023		31 December 2022	
	Investment amount	Percentage (%)	Investment amount	Percentage (%)	Investment amount	Percentage (%)
SASAC	1,801,891.31	93.25	1,703,489.42	92.89	1,635,332.85	92.61
National Council for Social Security Fund	130,452.01	6.75	130,452.01	7.11	130,452.01	7.39
Total	**1,932,343.32**	**100.00**	**1,833,941.43**	**100.00**	**1,765,784.86**	**100.00**

37. Capital Reserve

Item	31 December 2024	31 December 2023	31 December 2022
Capital (share capital) premium	16,835.38	16,910.37	17,155.83
Other capital reserve	231,163.18	225,443.57	208,630.95
Total	**247,998.56**	**242,353.94**	**225,786.78**

38. Surplus Reserves

Item	31 December 2024	31 December 2023	31 December 2022
Statutory surplus reserves	97,917.91	94,268.57	90,421.78
Total	**97,917.91**	**94,268.57**	**90,421.78**

39. Undistributed Profits

Item	31 December 2024	31 December 2023	31 December 2022
Opening balance in the current year	285,316.64	257,980.17	237,130.02
Increase	72,393.51	64,889.91	54,853.45
Incl.: Net profit transferred in	72,274.48	64,253.65	55,783.31
Other adjustment factors	119.03	636.26	-929.86
Decrease	38,405.75	37,553.44	34,003.30
Incl.: Surplus reserve extraction	3,649.34	3,846.80	3,436.58
General risk reserve extraction	217.70	209.20	842.70
Cash dividend distribution	33,860.43	23,182.03	21,228.38
Transfer to capital		9,959.52	8,069.36
Other decreases	678.28	355.89	426.28
Closing Balance in the Current Year	**319,304.40**	**285,316.64**	**257,980.17**

40. Operating Income and Operating Cost

Item	For the year ended 31 Dec. 2024		For the year ended 31 Dec. 2023		For the year ended 31 Dec. 2022	
	Revenue	Cost	Revenue	Cost	Revenue	Cost
Main business operations	3,905,117.53	3,656,552.24	3,814,980.26	3,572,573.27	3,531,321.01	3,350,153.66
Other business operations	14,153.97	10,811.95	20,321.78	16,110.70	14,095.11	12,254.41
Total	**3,919,271.50**	**3,667,364.19**	**3,835,302.04**	**3,588,683.97**	**3,545,416.12**	**3,362,408.07**

41. Investment Income

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Investment income from long-term equity investments measured using the equity method	13,231.61	12,411.98	12,465.12
Investment income from the disposal of long-term equity investments	3,319.18	941.04	6,112.64
Investment income arising from the holding period of financial assets held for trading	1,790.03	1,594.39	2,164.60
Investment income from the disposal of financial assets held for trading	-744.33	-264.63	-182.75

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Investment income arising from the holding period of other equity instrument investments	2,327.75	2,384.37	2,438.77
Investment income arising from the holding period of debt investments	215.83	148.26	25.58
Investment income from the disposal of debt investments	887.11	29.55	
Investment income arising from the holding period of other debt investments	101.33	20.76	346.05
Investment income from the disposal of other debt investments	310.81	362.25	344.17
Investment Income arising from debt restructuring	18.70	-3.33	12.66
Others	177.17	7.84	-0.04
Total	**21,635.19**	**17,632.48**	**23,726.80**

42. Gains from Changes in Fair Value

Sources of gains from changes in fair value	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Financial assets held for trading	1,766.52	-455.61	-2,296.38
Financial liabilities held for trading	-87.08	-57.16	-20.17
Gains from changes in fair value of derivative financial instruments	-35.37	26.95	-8.51
Others			292.44
Total	**1,644.07**	**-485.82**	**-2,032.62**

43. Credit Impairment Loss

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Bad debt loss	-4,716.19	-2,540.43	-1,373.23
Credit impairment loss on debt investments	-19.24	-22.87	0.66
Impairment loss on other debt investments	-6.86	0.96	1.72
Others	-4.68	221.37	-75.61
Total	**-4,746.97**	**-2,340.97**	**-1,446.46**

44. Impairment Loss on Assets

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Loss arising from the decline in the value of inventories	-600.72	-144.13	-78.92
Impairment loss on contract assets	-806.43	-575.46	-503.27
Impairment loss on contract performance costs	-2.18	-6.07	-95.01

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Impairment loss on long-term equity investments	-106.36	-0.80	-43.34
Impairment loss on fixed assets	-226.84	-622.04	-152.22
Impairment loss on construction in progress	-7.44	-10.33	
Impairment loss on intangible assets		-24.75	
Impairment loss on right-of-use assets		-15.42	
Impairment loss on goodwill		-60.18	-117.23
Total	**-1,749.97**	**-1,459.18**	**-989.99**

45. Non-operating Income

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Gains from damage or scrapping of non-current assets	2,665.34	3,067.78	1,882.21
Acceptance of donation	7.47	5.40	46.34
Government grants irrelevant to the enterprise's daily operating business	330.94	837.85	746.50
Income from insurance claims	1,384.29	1,062.41	
Asset inventory surplus	302.64	216.02	
Others	5,536.07	7,371.68	6,686.81
Total	**10,226.75**	**12,561.14**	**9,361.86**

46. Non-operating Expenses

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Losses from damage or scrapping of non-current assets	3,896.40	3,088.14	3,032.32
Expenditure on donations	6,877.86	6,449.34	4,387.17
Administrative fines, late payment fees	236.61	132.91	63.26
Others	2,565.17	2,767.19	3,356.40
Total	**13,576.04**	**12,437.58**	**10,839.15**

47. Income Tax Expenses

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Current tax expenses	44,062.48	31,789.15	28,124.31
Adjustment of deferred tax	-15,312.83	-4,507.67	-1,072.04
Total	**28,749.65**	**27,281.48**	**27,052.27**

48. Other Comprehensive Income Attributable to Parent Company

Item	For the year ended 31 Dec. 2024			For the year ended 31 Dec. 2023			For the year ended 31 Dec. 2022		
	Amount before tax	Income tax	Amount after tax	Amount before tax	Income tax	Amount after tax	Amount before tax	Income tax	Amount after tax
(1) Other comprehensive income not eligible to be reclassified into profit & loss in subsequent periods	**7,046.29**	**710.86**	**6,335.43**	**-389.22**	**-127.14**	**-262.08**	**-1,570.77**	**388.62**	**-1,959.39**
i. Changes of net liabilities or assets from remeasurement of defined benefit plans	801.23	273.76	527.47	-661.29	-223.75	-437.54	1,159.85	396.18	763.67
ii. Shares from the investee's other comprehensive income not to be reclassified into profit & loss under the equity method	653.53		653.53	61.78		61.78	475.06		475.06
iii. Fair value changes of other equity instrument investments	5,601.95	440.64	5,161.31	212.00	97.19	114.81	-3,187.46	-1.36	-3,186.10
iv. Changes in the fair value of the enterprise's own credit risk	-10.42	-3.54	-6.88	-1.71	-0.58	-1.13	-18.22	-6.20	-12.02
(2) Other comprehensive income eligible to be reclassified into profit & loss in subsequent periods	**-15,280.32**	**518.30**	**-15,798.62**	**3,839.64**	**11.83**	**3,827.81**	**9,132.68**	**219.77**	**8,912.91**
i. Shares from the investee's other comprehensive income to be reclassified into profit & loss under the equity method	592.70		592.70	845.38		845.38	-162.36		-162.36
Less: Amount reclassified into the current profit and loss which had been recognized in other comprehensive income before				0.08		0.08	22.64		22.64
Sub-total	**592.70**		**592.70**	**845.30**		**845.30**	**-185.00**		**-185.00**
ii. Changes in fair value of other debt investments	2,529.18	454.38	2,074.80	739.01	140.70	598.31	-365.15	-117.29	-247.86
Less: Amount reclassified into the current profit and loss which had been recognized in other comprehensive income before	15.57	4.44	11.13	91.02	22.75	68.27	167.70	41.93	125.77
Sub-total	**2,513.61**	**449.94**	**2,063.67**	**647.99**	**117.95**	**530.04**	**-532.85**	**-159.22**	**-373.63**

Item	For the year ended 31 Dec. 2024			For the year ended 31 Dec. 2023			For the year ended 31 Dec. 2022		
	Amount before tax	Income tax	Amount after tax	Amount before tax	Income tax	Amount after tax	Amount before tax	Income tax	Amount after tax
iii. Provision for credit impairment of other debt investments	8.03	1.25	6.78	-3.02	-0.69	-2.33	-5.71	-0.50	-5.21
Less: Amount reclassified into the current profit and loss which had been recognized in other comprehensive income before	3.26	0.83	2.43						
Sub-total	**4.77**	**0.42**	**4.35**	**-3.02**	**-0.69**	**-2.33**	**-5.71**	**-0.50**	**-5.21**
iv. Cash flow hedging reserve (effective part of profit and loss of cash flow hedging)	1,518.59	67.94	1,450.65	-1,415.75	-105.44	-1,310.31	3,154.64	379.49	2,775.15
Less: Amount reclassified into the current profit and loss which had been recognized in other comprehensive income before							-7.11		-7.11
Sub-total	**1,518.59**	**67.94**	**1,450.65**	**-1,415.75**	**-105.44**	**-1,310.31**	**3,161.75**	**379.49**	**2,782.26**
v. Translation difference of foreign currency statements	-19,910.50		-19,910.50	3,764.20		3,764.20	6,694.49		6,694.49
Less: Amount reclassified into the current profit and loss which had been recognized in other comprehensive income before	-0.51		-0.51	-0.91		-0.91			
Sub-total	**-19,909.99**		**-19,909.99**	**3,765.11**		**3,765.11**	**6,694.49**		**6,694.49**
(3) Total other comprehensive income	**-8,234.03**	**1,229.16**	**-9,463.19**	**3,450.42**	**-115.31**	**3,565.73**	**7,561.91**	**608.39**	**6,953.52**

49. Consolidated Cash Flow Statement

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
1. Reconciliation of net profit to cash flows from operating activities			
Net profit	77,297.54	69,652.31	59,671.72
Add: Impairment provision for assets	1,749.97	1,459.18	989.99
Credit impairment loss	4,746.97	2,340.97	1,446.46
Depreciation of fixed assets, oil & gas assets, and productive biological assets	393,495.51	375,916.62	363,145.97
Depreciation of right-of-use assets	15,805.94	14,438.55	6,493.81
Amortization of intangible assets	10,384.01	9,724.08	7,640.24
Amortization of long-term deferred expenses	1,768.28	1,768.97	580.63
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gain)	-1,267.18	-1,021.41	-654.07
Losses on scrapping of fixed assets ("-" for gain)	1,231.06	18.93	1,150.12
Losses on changes in fair value ("-" for gain)	-1,644.07	485.82	2,032.62
Financial expenses ("-" for gain)	33,346.73	32,899.95	34,067.32
Losses arising from investments ("-" for gain)	-22,845.80	-17,476.67	-23,329.38
Decrease in deferred tax assets ("-" for increase)	-16,615.05	-8,560.30	51,874.82
Increase in deferred tax liabilities ("-" for decrease)	-3,010.21	6,090.96	-22,218.45
Decrease in inventories ("-" for increase)	31,393.72	14,530.01	-128,221.50
Decrease in operating receivables ("-" for increase)	166,498.41	-22,845.46	-91,880.14
Increase in operating payables ("-" for decrease)	-164,877.01	1,933.33	145,902.07
Others	135.55	164.81	178.08
Net cash flows from operating activities	527,594.37	481,520.65	408,870.31
2. Major investing and financing activities not involving cash receipts and payments			
Conversion of debt to capital			
Convertible bonds due within one year			
Fixed assets under finance leases			
3. Net changes of cash and cash equivalents			
Ending balance of cash	56,660.72	92,816.81	75,690.21
Less: Beginning balance of cash	92,816.80	75,690.21	76,983.73
Add: Ending balance of cash equivalents	1,811.47	1,136.34	794.28

Item	For the year ended 31 Dec. 2024	For the year ended 31 Dec. 2023	For the year ended 31 Dec. 2022
Less: Beginning balance of cash equivalents	1,136.35	794.28	815.31
Net increase in cash and cash equivalents	-35,480.96	17,468.66	-1,314.55

VIII. BORROWING COSTS

1. Total interest expenses on current borrowings amounted to RMB 39,171.81 million, of which capitalized interest amounted to RMB 2,693.57 million.

2. The capitalized rate to calculate current capitalized borrowing costs is the bank borrowing rate and the bonds payable rate at the same period.

IX. TRANSLATION OF FOREIGN CURRENCY

Net exchange gain recognized in profit or loss for the period amounted to RMB 481.44 million.

X. CONTINGENCIES

At the end of the year, the Company and its subsidiaries provided guarantees to entities external to the Group amounting to RMB 61.8 million, which were released in January 2025.

XI. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

1. On 22 January 2025, the registered capital of the Company was changed to RMB 1,304,520.14 million.

2. Luoyang Longyu Group Co., Ltd., a subsidiary of the Company, provided a loan guarantee of RMB 61.8 million for Luoyang Longyu Yidian Co., Ltd., an external enterprise without equity relationships with the Group. On 26 January 2025, Luoyang Longyu Yidian Co., Ltd. repaid the loan principal and interest to the bank, and the loan guarantee obligations of Luoyang Longyu Group Co., Ltd. were thereby released.

3. Except for the above events, the Company has no other significant events after the balance sheet date that need to be disclosed this year.

XII. APPROVAL OF THE FINANCIAL STATEMENTS

The Group's financial statements for the year 2024 have been approved by the Board of Directors of the Company.

证书序号：0014624

会计师事务所

执业证书

名　　称：信永中和会计师事务所（特殊普通合伙）

首席合伙人：谭小青

主任会计师：

经营场所：北京市东城区朝阳门北大街8号富华大厦A座8层

组织形式：特殊普通合伙

执业证书编号：11010136

批准执业文号：京财会许可[2011]0056号

批准执业日期：2011年07月07日

发证机关：北京市财政局

二〇一二年一月五日

中华人民共和国财政部制

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

统一社会信用代码

91110101592354581W

营业执照

(副 本)(3-1)

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

名　　称　信永中和会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　李晓英、[illegible]

经营范围　审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

出　资　额　6000 万元

成立日期　2012 年 03 月 02 日

主要经营场所　北京市东城区朝阳门北大街 8 号富华大厦 A 座 8 层

登记机关　北京市东城区市场监督管理局

2025 年 01 月 24 日

F-89

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn

市场主体应当于每年 1 月 1 日至 6 月 30 日通过国家企业信息公示系统报送公示年度报告。

国家市场监督管理总局监制

年度检验登记
Annual Renewal Registration

本证书经检验合格，续
This certificate is valid for the renewal.

2006 年 3 月 1 日
/y /m /d

8

年度检验登记
Annual Renewal Registration

本证书经检验合格，续
This certificate is valid for this renewal.

2008. 3. 20

2008 年 3 月 20 日
/y /m /d

9

姓名 Full name 姜斌
性别 Sex 男
出生日期 Date of birth 1970 年 6 月 8 日
工作单位 Working unit 华夏会计师事务所
身份证号码 Identity card No. 110105700608005

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

注册会计师工作单位变更事项登记
Registration of a Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所 CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

2012 年 1 月 12 日
/y /m /d

同意调入
Agree the holder to be transferred to

事务所 CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

2012 年 1 月 12 日
/y /m /d

12

注意事项

2013.9.26

一、注册会计师执行业务，必要时应向委托方出示本证书。
二、本证书只限方本人使用，不得转让、涂改。
三、注册会计师停止执行法定业务时，应将本证书缴还主管注册会计师协会。
四、本证书如遗失，应立即向主管注册会计师协会报告，经报声明作废后，办理补发手续。

2013.9.26

NOTES

1. When practising, the CPA shall show the client this certificate when necessary.
2. This certificate shall be exclusively used by the holder. No transfer or alteration shall be allowed.
3. The CPA shall return the certificate to the competent Institute of CPAs when the CPA stops conducting statutory business.
4. In case of loss, the CPA shall report to the competent Institute of CPAs immediately and go through the procedure of reissue after making an announcement of loss on the newspaper.

经办：2019.12.23
复核：2019.12.23

证书编号：
No. of Certificate 100000882085

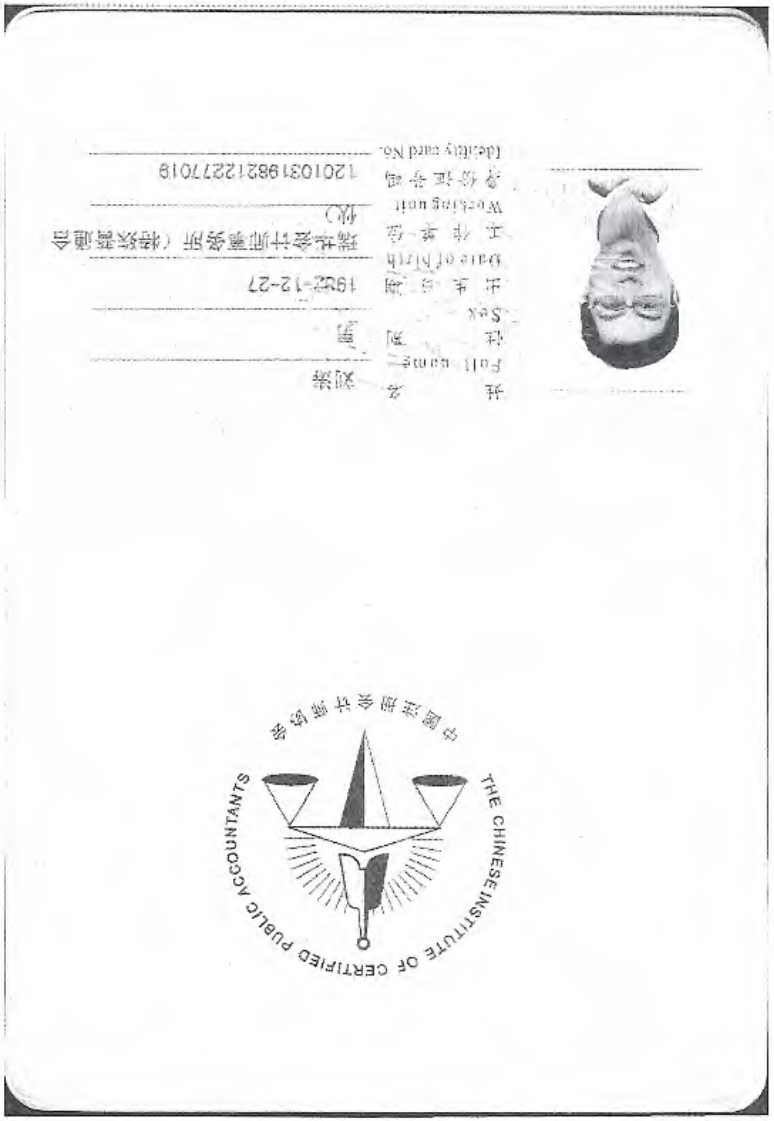
批准注册协会：中国注册会计师协会
Authorized Institute of CPAs

发证日期：
Date of Issuance 1999 年 9 月 28 日
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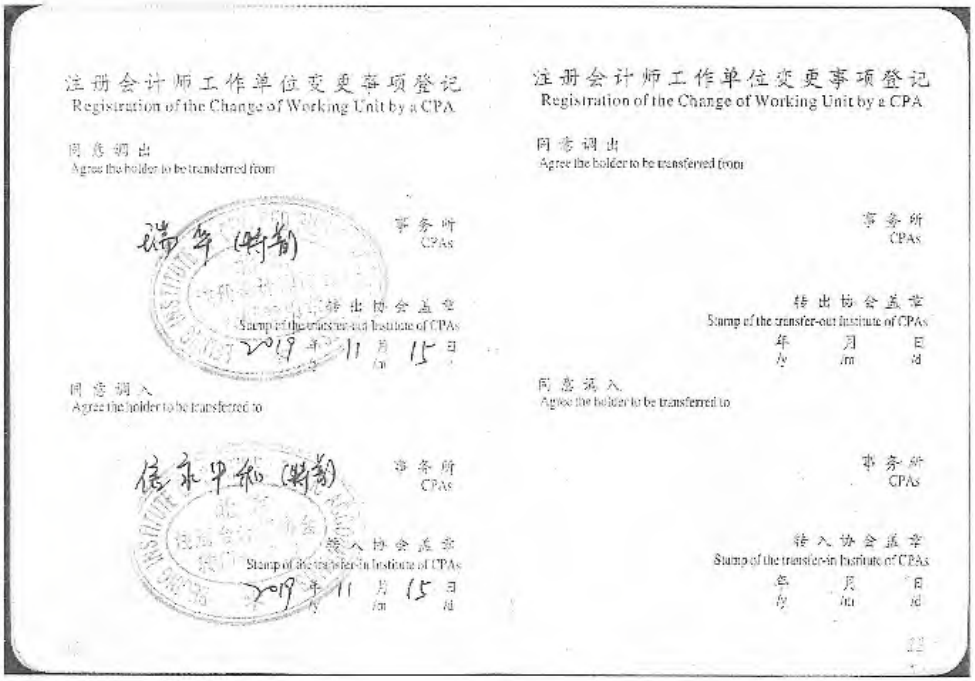
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1999 年 9 月 28 日
/y /m /d

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姓　名　刘涛
Full name
性　别　男
Sex
出生日期　1982-12-27
Date of birth
工作单位　珠海会计师事务所（特殊普通合伙）
Working unit
身份证号码　120103198212277018
Identity card No.



注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

年　月　日
/y　/m　/d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

年　月　日
/y　/m　/d

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

年　月　日
/y　/m　/d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

年　月　日
/y　/m　/d



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·格，经续有效一年，
s valid for another year after

姓名：刘涛
证书编号：110101300884

证书编号：
No. of Certificate
110101300884

批准注册协会：
Authorized Institute of CPAs
北京注册会计师协会

发证日期：
Date of Issuance
2016 年 05 月 13 日
/y /m /d

年　月　日
/y　/m　/d

ISSUER

State Grid Overseas Investment (BVI) Limited
国家电网海外投资(BVI)有限公司
Vistra Corporate Services Center
Wickhams Cay II
Road Town, Tortola
VG1110
British Virgin Islands

GUARANTOR

State Grid Corporation of China
No. 86, West Chang'an Street
Xicheng District
Beijing 100031, China

TRUSTEE

The Bank of New York Mellon, London Branch
160 Queen Victoria Street, London, EC4V 4LA,
United Kingdom

ISSUING AND PAYING AGENT

The Bank of New York Mellon London Branch
160 Queen Victoria Street,
London, EC4V 4LA,
United Kingdom

CMU LODGING AND PAYING AGENT, REGISTRAR AND TRANSFER AGENT (IN RESPECT OF DTC NOTES)

The Bank of New York Mellon Hong Kong Branch
Level 26, Three Pacific Place
1 Queen's Road East
Hong Kong

DTC PAYING AGENT, REGISTRAR AND TRANSFER AGENT (IN RESPECT OF CMU NOTES)

The Bank of New York Mellon
240 Greenwich Street
New York
NY 10286
United States of America

REGISTRAR AND TRANSFER AGENT (IN RESPECT OF ICSD NOTES)

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg

LEGAL ADVISERS TO THE ISSUER AND GUARANTOR

as to English and Hong Kong law

Linklaters
11th Floor, Alexandra House
Chater Road
Central
Hong Kong

as to PRC law

King & Wood Mallesons
18th Floor East Tower
World Financial Center
1 Dongsanhuan Zhonglu
Chaoyang District
Beijing 100020, China

as to British Virgin Islands law

Conyers Dill & Pearman
29th Floor
One Exchange Square
8 Connaught Place
Central
Hong Kong

LEGAL ADVISERS TO THE JOINT ARRANGERS AND DEALERS

as to English law and Hong Kong law

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Hong Kong

as to PRC law

Commerce & Finance Law Offices
12-15 Floor, China World Office 2
No.1 Jianguomenwai Avenue
Beijing 100004, China

LEGAL ADVISER TO THE TRUSTEE AND AGENTS

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Hong Kong

INDEPENDENT AUDITORS OF THE GUARANTOR

ShineWing Certified Public Accountants LLP
8/F, Block A, Fu Hua Mansion
No.8 Chaoyangmen Beidajie
Dongcheng District
Beijing

A.Plus International
FINANCIAL PRESS LIMITED
250580299

APPENDIX II

Part A
Pricing Supplement dated 5 June 2025 relating to the 2030 Notes

[See over page]

Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Important Notice to Prospective Investors*" appearing on pages iii and iv of the Offering Circular, and CMIs (as defined in the Offering Circular) should refer to the section on "*Important Notice to CMIs (including private banks)*" appearing on pages 182 and 183 of the Offering Circular.

Pricing Supplement dated June 5, 2025

State Grid Overseas Investment (BVI) Limited
国家电网海外投资(BVI)有限公司

(the "Issuer")

Issue of CNY2,000,000,000 2.00 per cent. Senior Guaranteed Notes due 2030
(the "**Notes**")
under the U.S.$15,000,000,000 Guaranteed Medium Term Note Programme (the "**Programme**") guaranteed by State Grid Corporation of China (the "**Guarantor**")

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the amended and restated trust deed dated on or about June 4, 2025. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular (as defined below). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular dated June 4, 2025 (the "**Offering Circular**").

This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) ("**Professional Investors**") only.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Issuer, the Guarantor and its subsidiaries (the "Group"), the Programme, the Notes or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation

as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The Pricing Supplement, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in the Pricing Supplement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

1.	Issuer:		State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司 (formerly known as State Grid Overseas Investment (2016) Limited 国家电网海外投资(2016)有限公司)
2.	Guarantor:		State Grid Corporation of China
	(i)	Series Number:	018
	(ii)	Tranche Number	001
	(iii)	Date on which the Notes will be consolidated to form a single Series	Not Applicable
3.	Specified Currency or Currencies:		Chinese Yuan Renminbi ("**CNY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	CNY2,000,000,000
	(ii)	Tranche:	CNY2,000,000,000
5.	(i)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	Approximately CNY1,997.69 million
6.	(i)	Specified Denominations:	CNY1,000,000 and integral multiples of CNY10,000 in excess thereof
	(ii)	Calculation Amount:	CNY10,000
	(i)	Issue Date:	June 12, 2025
	(ii)	Interest Commencement Date:	Issue Date

7.	Maturity Date:	The Interest Payment Date falling on, or nearest to June 12, 2030
8.	Interest Basis:	2.00 per cent. Fixed Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest or Redemption/Payment Basis:	Not Applicable
11.	Put/Call Options:	Issuer Call Option Relevant Event Put Option (further particulars specified below)
12.	Date of Board approval for issuance of Notes and Guarantee obtained	June 2, 2025 for the Issuer and May 12, 2025 for the Guarantor
13.	Listing:	The Stock Exchange of Hong Kong Limited (expected effective listing date: June 13, 2025)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Method of distribution:		Syndicated
15.	Fixed Rate Note Provisions		Applicable
	(i)	Rate of Interest:	2.00 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	June 12 and December 12 in each year adjusted in accordance with the Modified Following Business Day Convention.
	(iii)	Fixed Coupon Amount:	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards.
	(iv)	Broken Amount:	Not Applicable
	(v)	Day Count Fraction:	Actual/365 (Fixed)
	(vi)	Determination Date(s):	Not Applicable

	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions		Not Applicable
17.	Zero Coupon Note Provisions		Not Applicable
18.	Dual Currency Note Provisions		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call Option		Applicable
	(i)	Optional Redemption Date(s):	At any time on or after May 12, 2030 (the date that is one month prior to the Maturity Date), subject to the Modified Following Business Day Convention
	(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	The Optional Redemption Amount shall be equal to 100 per cent. of the principal amount of the applicable Notes to be redeemed, plus, accrued and unpaid interest up to, but excluding, the date of redemption.
	(iii)	If redeemable in part:	Redeemable in part
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period (if other than as set out in the Conditions):	Not less than 30 days nor more than 60 days
20.	Investor Put Option		Not Applicable
21.	Final Redemption Amount		CNY10,000 per Calculation Amount
22.	Early Redemption Amount payable on redemption for taxation, Relevant Event or on event of default and/or the method of calculating the same (if required		CNY10,000 per Calculation Amount in respect of redemption for taxation, No Registration Event or on event of default

	or if different from that set out in the Conditions):	CNY10,100 per Calculation Amount in respect of redemption for Change of Control

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	**Registered Notes**: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances specified in the Global Certificate
24.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable Financial Centre in respect of the Notes shall be Hong Kong
25.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes:	Not Applicable
28.	Redenomination applicable:	Redenomination not applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names and addresses of Managers and commitments:	ICBC International Securities Limited 37/F, ICBC Tower, 3 Garden Road, Hong Kong Commitment: CNY200,000,000 Industrial and Commercial Bank of China (Asia) Limited 28F, ICBC Tower, 3 Garden Road, Hong Kong Commitment: CNY200,000,000 ABCI Capital Limited 11/F., Agricultural Bank of China Tower,

50 Connaught Road Central, Hong Kong
Commitment: CNY200,000,000

Agricultural Bank of China Limited Hong Kong Branch
25/F, Agricultural Bank of China Tower,
50 Connaught Road Central, Hong Kong
Commitment: CNY200,000,000

Bank of China (Hong Kong) Limited
34/F, Bank of China Tower,
1 Garden Road, Hong Kong
Commitment: CNY200,000,000

BOCI Asia Limited
20/F Bank of China Tower,
1 Garden Road, Central, Hong Kong
Commitment: CNY200,000,000

CLSA Limited
18/F, One Pacific Place,
88 Queensway, Hong Kong
Commitment: CNY400,000,000

China CITIC Bank International Limited
80 Floor, International Commerce Centre,
1 Austin Road West, Kowloon, Hong Kong
Commitment: CNY100,000,000

DBS Bank Ltd.
10/F, The Center,
99 Queen's Road Central, Central, Hong Kong
Commitment: CNY100,000,000

CMB International Capital Limited
45F, Champion Tower,
3 Garden Road, Central, Hong Kong
Commitment: CNY50,000,000

CMB Wing Lung Bank Limited
8F, CMB Wing Lung Bank Building,
45 Des Voeux Road Central, Hong Kong
Commitment: CNY50,000,000

Bank of Communications Co., Ltd. Hong Kong Branch
20 Pedder Street, Central, Hong Kong
Commitment: CNY100,000,000

		(each a Dealer appointed by the Issuer and the Guarantor pursuant to the Dealer Agreement dated June 4, 2025)
	(ii) Date of Subscription Agreement	June 5, 2025
	(iii) Stabilisation Manager (if any):	Any of the Dealers, except for China CITIC Bank International Limited, appointed and acting in its capacity as Stabilisation Manager
	If non-syndicated, name of Dealer:	Not Applicable
31.	Total commission and concession:	0.091 per cent. of the Aggregate Nominal Amount
32.	U.S. Selling Restrictions	Reg. S Category 2
33.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
34.	Prohibition of Sales to UK Retail Investors:	Not Applicable
35.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

36.	ISIN Code:	HK0001151122
37.	Common Code:	308169073
38.	CMU Instrument Number:	BNYHFN25097
39.	CUSIP Number:	Not Applicable
40.	Any clearing system(s) other than Euroclear, Clearstream, the CMU Service, DTC and the relevant identification number(s):	Not Applicable
41.	Delivery:	Delivery free of payment
42.	Additional Paying Agents (if any):	Not Applicable

HONG KONG SFC CODE OF CONDUCT

43.	Rebates:	Not Applicable

44.	Contact email addresses of the Dealers where underlying investor information in relation to omnibus orders should be sent:	project_sgcc2025@icbci.icbc.com.cn; huwenqi.vincent@icbcasia.com; abcic.dcm@abci.com.hk; fmd.dcm@abchina.com; dcm@bochk.com; debt.syndicate@bocigroup.com; ProjectSGCC2025@clsa.com; DCMOmnibus@dbs.com bondissuance@cmbwinglungbank.com; dcm@bankcomm.com.hk
45.	Marketing and Investor Targeting Strategy:	Same as in the Offering Circular

GENERAL

46.	Issuer's Legal Entity Identifier (LEI) Code:	3003006V8BHG5158QO96
47.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of CNY7.1865 to U.S.$1.00, producing a sum of (for Notes not denominated in U.S. dollars):	U.S.$278,299,589.51
48.	In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong:	Not Applicable
49.	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:	Not Applicable

Listing Application

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$15,000,000,000 Medium Term Note Programme of State Grid Overseas Investment (BVI) Limited.

Stabilisation

In connection with the issue of any Tranche of Notes, one or more of the Dealers named as Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Such stabilisation if commenced may begin on or after the date on which adequate public disclosure of the

terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, and must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Material Adverse Change Statement

There has been no significant change in the financial or trading position of the Issuer or of the Group since December 31, 2024 and no material adverse change in the financial position or prospects of the Issuer or of the Group since December 31, 2024.

Responsibility

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

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Signed on behalf of the Issuer:

STATE GRID OVERSEAS INVESTMENT (BVI) LIMITED
国家电网海外投资(BVI)有限公司

By: .....
Duly authorised

Signed on behalf of the Guarantor:

STATE GRID CORPORATION OF CHINA
(国家电网有限公司)

By: .....
Duly authorised

APPENDIX II

Part B
Pricing Supplement dated 5 June 2025 relating to the 2035 Notes

[See over page]

Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Important Notice to Prospective Investors*" appearing on pages iii and iv of the Offering Circular, and CMIs (as defined in the Offering Circular) should refer to the section on "*Important Notice to CMIs (including private banks)*" appearing on pages 182 and 183 of the Offering Circular.

Pricing Supplement dated June 5, 2025

State Grid Overseas Investment (BVI) Limited
国家电网海外投资(BVI)有限公司

(the "Issuer")

Issue of CNY2,000,000,000 2.25 per cent. Senior Guaranteed Notes due 2035
(the "**Notes**")
under the U.S.$15,000,000,000 Guaranteed Medium Term Note Programme (the "**Programme**") guaranteed by State Grid Corporation of China (the "**Guarantor**")

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the amended and restated trust deed dated on or about June 4, 2025. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular (as defined below). Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular dated June 4, 2025 (the "**Offering Circular**").

This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) ("**Professional Investors**") only.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Issuer, the Guarantor and its subsidiaries (the "Group"), the Programme, the Notes or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation

as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The Pricing Supplement, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in the Pricing Supplement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

1.	Issuer:		State Grid Overseas Investment (BVI) Limited 国家电网海外投资(BVI)有限公司 (formerly known as State Grid Overseas Investment (2016) Limited 国家电网海外投资(2016)有限公司)
2.	Guarantor:		State Grid Corporation of China
	(i)	Series Number:	019
	(ii)	Tranche Number	001
	(iii)	Date on which the Notes will be consolidated to form a single Series	Not Applicable
3.	Specified Currency or Currencies:		Chinese Yuan Renminbi ("**CNY**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	CNY2,000,000,000
	(ii)	Tranche:	CNY2,000,000,000
5.	(i)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	Approximately CNY1,997.69 million
6.	(i)	Specified Denominations:	CNY1,000,000 and integral multiples of CNY10,000 in excess thereof
	(ii)	Calculation Amount:	CNY10,000
	(i)	Issue Date:	June 12, 2025
	(ii)	Interest Commencement Date:	Issue Date

7.	Maturity Date:	The Interest Payment Date falling on, or nearest to June 12, 2035
8.	Interest Basis:	2.25 per cent. Fixed Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest or Redemption/Payment Basis:	Not Applicable
11.	Put/Call Options:	Issuer Call Option Relevant Event Put Option (further particulars specified below)
12.	Date of Board approval for issuance of Notes and Guarantee obtained	June 2, 2025 for the Issuer and May 12, 2025 for the Guarantor
13.	Listing:	The Stock Exchange of Hong Kong Limited (expected effective listing date: June 13, 2025)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Method of distribution:		Syndicated
15.	Fixed Rate Note Provisions		Applicable
	(i)	Rate of Interest:	2.25 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	June 12 and December 12 in each year adjusted in accordance with the Modified Following Business Day Convention.
	(iii)	Fixed Coupon Amount:	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards.
	(iv)	Broken Amount:	Not Applicable
	(v)	Day Count Fraction:	Actual/365 (Fixed)
	(vi)	Determination Date(s):	Not Applicable

	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions		Not Applicable
17.	Zero Coupon Note Provisions		Not Applicable
18.	Dual Currency Note Provisions		Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call Option		Applicable
	(i)	Optional Redemption Date(s):	At any time on or after March 12, 2035 (the date that is three months prior to the Maturity Date), subject to the Modified Following Business Day Convention
	(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	The Optional Redemption Amount shall be equal to 100 per cent. of the principal amount of the applicable Notes to be redeemed, plus, accrued and unpaid interest up to, but excluding, the date of redemption.
	(iii)	If redeemable in part:	Redeemable in part
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period (if other than as set out in the Conditions):	Not less than 30 days nor more than 60 days
20.	Investor Put Option		Not Applicable
21.	Final Redemption Amount		CNY10,000 per Calculation Amount
22.	Early Redemption Amount payable on redemption for taxation, Relevant Event or on event of default and/or the method of calculating the same (if required		CNY10,000 per Calculation Amount in respect of redemption for taxation, No Registration Event or on event of default

	or if different from that set out in the Conditions):	CNY10,100 per Calculation Amount in respect of redemption for Change of Control

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	**Registered Notes**: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances specified in the Global Certificate
24.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable Financial Centre in respect of the Notes shall be Hong Kong
25.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27.	Details relating to Instalment Notes:	Not Applicable
28.	Redenomination applicable:	Redenomination not applicable
29.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

30.	(i)	If syndicated, names and addresses of Managers and commitments:	ICBC International Securities Limited 37/F, ICBC Tower, 3 Garden Road, Hong Kong Commitment: CNY200,000,000 Industrial and Commercial Bank of China (Asia) Limited 28F, ICBC Tower, 3 Garden Road, Hong Kong Commitment: CNY200,000,000 ABCI Capital Limited 11/F., Agricultural Bank of China Tower,

50 Connaught Road Central, Hong Kong
Commitment: CNY200,000,000

Agricultural Bank of China Limited Hong Kong Branch
25/F, Agricultural Bank of China Tower,
50 Connaught Road Central, Hong Kong
Commitment: CNY200,000,000

Bank of China (Hong Kong) Limited
34/F, Bank of China Tower,
1 Garden Road, Hong Kong
Commitment: CNY200,000,000

BOCI Asia Limited
20/F Bank of China Tower,
1 Garden Road, Central, Hong Kong
Commitment: CNY200,000,000

CLSA Limited
18/F, One Pacific Place,
88 Queensway, Hong Kong
Commitment: CNY400,000,000

China CITIC Bank International Limited
80 Floor, International Commerce Centre,
1 Austin Road West, Kowloon, Hong Kong
Commitment: CNY100,000,000

DBS Bank Ltd.
10/F, The Center,
99 Queen's Road Central, Central, Hong Kong
Commitment: CNY100,000,000

CMB International Capital Limited
45F, Champion Tower,
3 Garden Road, Central, Hong Kong
Commitment: CNY50,000,000

CMB Wing Lung Bank Limited
8F, CMB Wing Lung Bank Building,
45 Des Voeux Road Central, Hong Kong
Commitment: CNY50,000,000

Bank of Communications Co., Ltd. Hong Kong Branch
20 Pedder Street, Central, Hong Kong
Commitment: CNY100,000,000

		(each a Dealer appointed by the Issuer and the Guarantor pursuant to the Dealer Agreement dated June 4, 2025)
	(ii) Date of Subscription Agreement	June 5, 2025
	(iii) Stabilisation Manager (if any):	Any of the Dealers, except for China CITIC Bank International Limited, appointed and acting in its capacity as Stabilisation Manager
	If non-syndicated, name of Dealer:	Not Applicable
31.	Total commission and concession:	0.091 per cent. of the Aggregate Nominal Amount
32.	U.S. Selling Restrictions	Reg. S Category 2
33.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
34.	Prohibition of Sales to UK Retail Investors:	Not Applicable
35.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

36.	ISIN Code:	HK0001151130
37.	Common Code:	308169146
38.	CMU Instrument Number:	BNYHFN25098
39.	CUSIP Number:	Not Applicable
40.	Any clearing system(s) other than Euroclear, Clearstream, the CMU Service, DTC and the relevant identification number(s):	Not Applicable
41.	Delivery:	Delivery free of payment
42.	Additional Paying Agents (if any):	Not Applicable

HONG KONG SFC CODE OF CONDUCT

43.	Rebates:	Not Applicable

44.	Contact email addresses of the Dealers where underlying investor information in relation to omnibus orders should be sent:	project_sgcc2025@icbci.icbc.com.cn; huwenqi.vincent@icbcasia.com; abcic.dcm@abci.com.hk; fmd.dcm@abchina.com; dcm@bochk.com; debt.syndicate@bocigroup.com; ProjectSGCC2025@clsa.com; DCMOmnibus@dbs.com bondissuance@cmbwinglungbank.com; dcm@bankcomm.com.hk
45.	Marketing and Investor Targeting Strategy:	Same as in the Offering Circular

GENERAL

46.	Issuer's Legal Entity Identifier (LEI) Code:	3003006V8BHG5158QO96
47.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of CNY7.1865 to U.S.$1.00, producing a sum of (for Notes not denominated in U.S. dollars):	U.S.$278,299,589.51
48.	In the case of Registered Notes, specify the location of the office of the Registrar if other than Hong Kong:	Not Applicable
49.	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:	Not Applicable

Listing Application

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$15,000,000,000 Medium Term Note Programme of State Grid Overseas Investment (BVI) Limited.

Stabilisation

In connection with the issue of any Tranche of Notes, one or more of the Dealers named as Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Such stabilisation if commenced may begin on or after the date on which adequate public disclosure of the

terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, and must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Material Adverse Change Statement

There has been no significant change in the financial or trading position of the Issuer or of the Group since December 31, 2024 and no material adverse change in the financial position or prospects of the Issuer or of the Group since December 31, 2024.

Responsibility

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

B3

Signed on behalf of the Issuer:

STATE GRID OVERSEAS INVESTMENT (BVI) LIMITED
国家电网海外投资(BVI)有限公司

By: .....
Duly authorised

Signed on behalf of the Guarantor:

STATE GRID CORPORATION OF CHINA
(国家电网有限公司)

By: .....
Duly authorised