

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Signed and executed by _____, _____, _____ and _____:

1. Date

23 November 2022

2. Parties

(1) E M C ;

(2) S P G E S .

T _____, _____ D _____
C _____, _____, S P G E _____
S _____ I T P _____.

3. Subscribed Shares

E M C _____ S P G _____
E S _____ 39,401,103 _____ (A _____)
_____ S P G E S _____
E M C _____.

4. Subscription Price

S _____ P _____ RMB12.69 _____ S _____ S _____,
_____ 81% _____ S _____
P G E S _____ 20 _____ P _____
D _____ D _____.

T _____ RMB499,999,997.07 (_____
HK\$548,353,838.55).

THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021:

**For the year ended
31 December**
2021 **2020**
(Amount in RMB'000) (Amount in RMB'000)

NON-CURRENT ASSETS	36,613	132,187
NON-CURRENT LIABILITIES	15,758	110,722

AS AT 31 DECEMBER 2021, THE COMPANY'S NON-CURRENT ASSETS WERE RMB2,137.3637 MILLION (2020: RMB14,900.2469 MILLION), WHICH WERE MAINLY COMPOSED OF:

REASONS FOR AND BENEFITS OF SUBSCRIPTION BY ELECTRIC MACHINERY COMPANY FOR SHARES ISSUED UNDER NON-PUBLIC ISSUANCE BY SOUTHERN POWER GRID ENERGY STORAGE

THE COMPANY'S SUBSCRIPTION OF SHARES UNDER NON-PUBLIC ISSUANCE BY SOUTHERN POWER GRID ENERGY STORAGE IS A STRATEGIC MOVE TO STRENGTHEN THE COMPANY'S FINANCIAL POSITION AND SUPPORT THE COMPANY'S BUSINESS DEVELOPMENT. THE COMPANY HAS CONDUCTED DUE DILIGENCE ON THE COMPANY AND IS SATISFIED WITH THE COMPANY'S BUSINESS MODEL AND PROSPECTS.

THE COMPANY'S SUBSCRIPTION OF SHARES UNDER NON-PUBLIC ISSUANCE BY SOUTHERN POWER GRID ENERGY STORAGE IS A STRATEGIC MOVE TO STRENGTHEN THE COMPANY'S FINANCIAL POSITION AND SUPPORT THE COMPANY'S BUSINESS DEVELOPMENT. THE COMPANY HAS CONDUCTED DUE DILIGENCE ON THE COMPANY AND IS SATISFIED WITH THE COMPANY'S BUSINESS MODEL AND PROSPECTS.

IMPLICATIONS UNDER THE LISTING RULES

AS AT 31 DECEMBER 2021, THE COMPANY'S LISTING STATUS IS IN COMPLIANCE WITH THE LISTING RULES. THE COMPANY'S FINANCIAL PERFORMANCE IS STABLE AND THE COMPANY IS IN A STRONG POSITION TO SUPPORT THE COMPANY'S BUSINESS DEVELOPMENT.

