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CHINA GRID TECH

State Grid 2nd batch transmission equipment tendering on track; strong UHV tendering pipeline to come; +ve read on Nari

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In this report, we provide an update on State Grid 2nd batch transmission equipment tendering, 1st batch UHV tendering and ytd power grid investment: strong start to the grid investment recording 43% yoy in Jan-March and power generation investment at 27% yoy growth in Jan-March. 1st batch UHV tendering was at Rmb4bn, with an additional round for the 1st batch at value of Rmb5bn (primarily on converter valves). In the additional round, **Nari Tech was the clear beneficiary, securing No.1 market share in the tendering at 52% market share.** 2nd batch tendering value could exceed Rmb9bn based on the number of packages to be tendered, with the **total value exceeding 80% of 2025 full-year value and indicating a very strong UHV pipeline.** Two lines started construction this year (Panzhihua West - Tianfu South on March 30, and Zhejiang ring network on Apr 28), with one line starting soon (Dalate-West Inner Mongolia was approved in Feb 2026 and expected to start construction and tendering soon). As for transmission equipment, tendering results were mixed for Nari Tech and Sieyuan, showing varied performance across product categories due to their already leading position.

State Grid 2nd batch transmission equipment tendering results

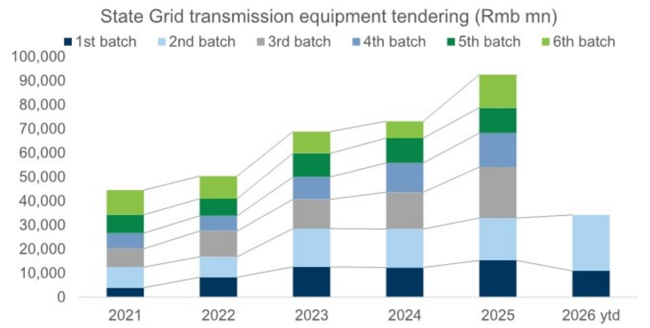
State Grid 2nd batch **transmission** equipment, which took place in April as originally scheduled, delivered +32% yoy, smoothing out 1st batch weakness of -28% yoy and bringing ytd combined tendering results to +4% yoy, with a similar growth between primary equipment and secondary equipment.

1st batch UHV tendering results

As for **UHV** equipment, **1st batch tendering** in 2026 recorded **Rmb4bn** in value, which doubled vs the 1st batch in 2025. Among the Rmb4bn total value, Sieyuan won Rmb163mn (from Rmb110mn of switchgear and Rmb53mn of instrument transformer); Nari Tech won Rmb138mn (from Rmb77mn of measurement equipment, Rmb19mn of secondary equipment, and Rmb42mn of monitoring system). **An additional 1st batch** tendering took place at a value of **Rmb5bn**, mainly for converter valves, where Nari Tech secured 52% market share, at value of Rmb2.5bn, serving for Chongqing-Guizhou, Hunan-Guangdong, Fujian-Jiangxi, Anhui-Hubei lines. **2nd batch** tendering could exceed **Rmb9bn, serving for Panzhihua West-Tianfu South line (started construction on March 30, 2026), Zhejiang ring network, Yantai-Weihai, Zhaoyuan Nuclear transmission,**

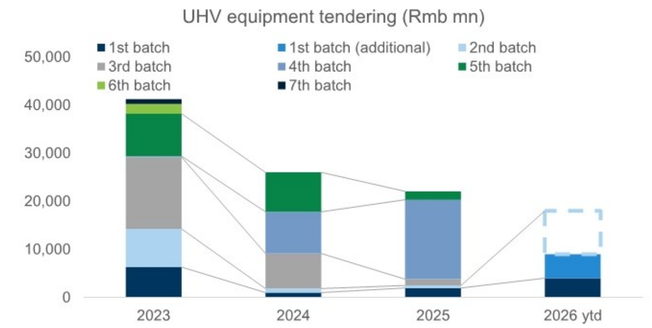
Dalate-West Inner Mongolia line (approved in Feb 2026). In total, the three batches (including the upcoming 2nd batch) would be equivalent c.80% of last year's full-year tendering value, indicating a strong pipeline. Two lines started construction this year (Panzhihua West - Tianfu South on March 30, and Zhejiang ring network on Apr 28), with one line starting soon (Dalate-West Inner Mongolia was approved in Feb 2026 and expected to start construction and tendering soon). Nari Tech mgmt also estimates new approvals of 3-4 lines this year, while 2-3 lines to conduct equipment tendering.

Exhibit 1: State Grid transmission equipment 1st and 2nd batch combined tendering was +4% yoy growth



Source: State Grid, Data compiled by Goldman Sachs Global Investment Research

Exhibit 2: UHV saw an additional 1st batch tendering of Rmb5bn on top of the Rmb4bn existing tendering, with 2nd batch to be expected



Source: State Grid, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: Two lines started construction this year (Panzhihua West - Tianfu South , and Zhejiang ring network), with one line starting soon ((Dalate-West Inner Mongolia).

Project EN	Project CN	Project type	Status	Approval time	Construction start	Operation start	Transmission power (GW)	Investment (Rmb mn)	Length (km)	Power (kV)
14th Five-Year Plan: 3 AC lines and 9 DC lines										
Zhangbei - Shengli	张北-胜利	AC	In operation	Sep-22	Sep-23	Oct-24	8	6,786	366	800
Chengdu - Chongqing	甘孜-天府南-成都东、天府南-铜梁（川渝）	AC	In operation	Aug-22	Sep-22	Dec-24	2	28,631	1,316	1000
Longdong - Shandong	陇东-山东	DC	In operation	Feb-23	Aug-23	May-25	8	20,200	915	800
Jinshang - Hubei	金上-湖北	DC	In operation	Dec-22	Mar-23	Dec-25	4	33,484	1,901	800
Ningxia - Hunan	宁夏-湖南	DC	In operation	May-23	Jun-23	Aug-25	8	28,100	1,619	800
Hami - Chongqing	哈密-重庆 (疆电入渝)	**VSC-DC**	In operation	Jul-23	Mar-24	Aug-25	8	28,600	2,290	800
North Shaanxi - Anhui	陕北-安徽 (途径河南)	DC	In operation	Feb-24	Jun-24	Jun-25	8	20,500	1,069	800
Gansu - Zhejiang	甘肃-浙江	**VSC-DC**	Under construction	Jul-24	Mar-25	Jun-26	4	35,300	2,370	800
Datong - Huailai - Tianjin North South	大同-怀来-天津北-天津南	AC	Under construction	Oct-24	Mar-25	Jun-26	6	22480	770	1000
Tibet Southeast - Guangdong/HK/Macao	藏东南-粤港澳	**VSC-DC**	Under construction	Jun-25	Sep-25	Dec-26	10	53,200	2681	800
Mongolia West - Beijing/Tianjin/Hebei	蒙西-京津冀	**VSC-DC**	Under construction	Jul-25	Dec-25	Mar-27	8	17,178	669	800
Shaanxi - Henan	陕西-河南 (途径山西)	DC	Waiting for approval							
State Grid Reserve Projects: 5 AC lines and 9 DC lines										
Yantai - Weihai	烟威	AC	Under construction	Mar-25	Aug-25	Nov-26	8	12,516	567	1000
Dalate - West Inner Mongolia	达拉特-蒙西	AC	Approved	Feb-26	May-26	Aug-27	3	4,374	125	800
Panzhihua West-Tianfu South	攀西-川南-天府南	AC	Under construction	Dec-25	Mar-26	Jan-28	8	13,000	1006	1000
Badan Jilin - Sichuan	巴丹吉林-四川	**VSC-DC**	Waiting for approval							
Xinjiang South - Chuanyu	南疆-川渝	DC	Waiting for approval							
Qinghai outbound	青海海南外送	DC	Waiting for approval							
Ulaanbuh - Jingjinji	乌兰布和-京津冀	DC	Waiting for approval							
Kubuqi - Shanghai	库布奇-上海	DC	Waiting for approval							
Datong-Bayannur	大同-乌兰察布-包头-巴彦淖尔	AC	Waiting for approval							
Datong-Baotou	大同-达拉特-包头	AC	Waiting for approval							
Mongolia - Jiangsu	内蒙古-江苏	**VSC-DC**	Waiting for approval							
Songliao - Northern Area	松辽-华北	DC	Waiting for approval							
Tenggeli - Jiangxi	腾格里-江西	DC	Waiting for approval							
Jiuquan - Eastern Area	内蒙古-华东	DC	Waiting for approval							
Others										
Zhejiang ring network	浙江环网	AC	Under construction	Dec-25	Apr-26	Nov-29	6	3	508	1000

Source: State Grid, Data compiled by Goldman Sachs Global Investment Research

The State Grid 1st-2nd combined transmission equipment tendering results showed divergence across different product categories. Inductors, GIS, circuit breakers saw more consolidation of top players' market share, where other categories saw less concentration compared to 2025 results. In 2026 ytd, Sieyuan gained share in GIS (20% in 2026 ytd vs 17% in 2025), circuit breakers (23% in 2026 ytd vs 18% in 2025), SVC/STATCOM (26% in 2026 ytd vs 19% in 2025), but lost some share in disconnectors (34% in 2026 ytd vs 49% in 2025), instrument transformer (12% in 2026 ytd vs 21% in

2025), inductors (6% in 2026 ytd vs 8% in 2025), arc suppression coil (21% in 2026 ytd vs 25% in 2025), and capacitors (17% in 2026 ytd vs 19% in 2025). Nari Tech maintained share in protective relay, gained shares in network system integrator (25% in 2026 ytd vs 18% in 2025), but lost shares in SVC/STATCOM (25% in 2026 ytd vs 48% in 2025).

Exhibit 4: In 2026 ytd, Sieyuan gained share in GIS and circuit breaker, but lost some shares in disconnector, instrument transformer, and inductors vs 2025

GIS

Rank	2023 tender (CR5=71%) Company	Tendering (Rmb mn)	Market share (%)	2024 tender (CR5=67%) Company	Tendering (Rmb mn)	Market share (%)	2025 tender (CR5=75%) Company	Tendering (Rmb mn)	Market share (%)	2026 ytd tender (CR5=76%) Company	Tendering (Rmb mn)	Market share (%)
1	Pinggao	3,941	23%	Pinggao	3,727	20%	Pinggao	6,018	24%	Pinggao	1,547	22%
2	XD	2,552	15%	XD	3,021	16%	XD	4,836	19%	Sieyuan	1,391	20%
3	Sieyuan	2,389	14%	Sieyuan	2,128	12%	Sieyuan	4,345	17%	XD	1,245	18%
4	Taikai	2,074	12%	Taikai	2,099	11%	Taikai	2,475	10%	Taikai	805	12%
5	NHVS	1,019	6%	NHVS	1,447	8%	SDEE	1,049	4%	Changgao	267	4%

Circuit breaker

Rank	2023 tender (CR5=72%) Company	Tendering (Rmb mn)	Market share (%)	2024 tender (CR5=79%) Company	Tendering (Rmb mn)	Market share (%)	2025 tender (CR5=77%) Company	Tendering (Rmb mn)	Market share (%)	2026 ytd tender (CR5=91%) Company	Tendering (Rmb mn)	Market share (%)
1	Sieyuan	242	18%	Pinggao	303	19%	Sieyuan	325	18%	Sieyuan	189	23%
2	Taikai	233	18%	Sieyuan	245	16%	Pinggao	313	17%	Pinggao	175	21%
3	Pinggao	178	13%	Taikai	244	16%	Changgao	287	16%	Taikai	160	19%
4	XD	152	11%	Changgao	229	15%	XD	262	14%	XD	138	17%
5	Changgao	145	11%	XD	223	14%	Taikai	212	12%	Changgao	98	12%

Disconnector

Rank	2023 tender (CR5=78%) Company	Tendering (Rmb mn)	Market share (%)	2024 tender (CR5=89%) Company	Tendering (Rmb mn)	Market share (%)	2025 tender (CR5=93%) Company	Tendering (Rmb mn)	Market share (%)	2026 ytd tender (CR5=94%) Company	Tendering (Rmb mn)	Market share (%)
1	Pinggao	257	24%	Sieyuan	351	28%	Sieyuan	505	49%	Sieyuan	135	34%
2	Taikai	196	18%	Pinggao	284	22%	Taikai	166	16%	Taikai	110	27%
3	Sieyuan	192	18%	Taikai	223	18%	Pinggao	147	14%	Pinggao	81	20%
4	XD	103	10%	Siemens Energy	180	14%	XD	114	11%	XD	41	10%
5	Siemens Energy	100	9%	XD	91	7%	Siemens Energy	24	2%	Siemens Energy	9	2%

Power transformer

Rank	2023 tender (CR5=47%) Company	Tendering (Rmb mn)	Market share (%)	2024 tender (CR5=49%) Company	Tendering (Rmb mn)	Market share (%)	2025 tender (CR5=59%) Company	Tendering (Rmb mn)	Market share (%)	2026 ytd tender (CR5=58%) Company	Tendering (Rmb mn)	Market share (%)
1	TBEA	2,540	16%	TBEA	2,575	16%	TBEA	4,460	23%	TBEA	1,343	19%
2	XD	1,910	12%	SDEE	1,916	12%	SDEE	3,565	18%	XD	980	14%
3	SDEE	1,287	8%	XD	1,793	11%	XD	1,553	8%	SDEE	891	13%
4	Wujiang	801	5%	BTW	842	5%	BTW	1,054	5%	BTW	511	7%
5	BTW	744	5%	Taikai	806	5%	Wujiang	1,036	5%	Chint	365	5%

Instrument transformer

Rank	2023 tender (CR5=58%) Company	Tendering (Rmb mn)	Market share (%)	2024 tender (CR5=65%) Company	Tendering (Rmb mn)	Market share (%)	2025 tender (CR5=65%) Company	Tendering (Rmb mn)	Market share (%)	2026 ytd tender (CR5=55%) Company	Tendering (Rmb mn)	Market share (%)
1	Sieyuan	261	16%	Taikai	344	18%	Sieyuan	462	21%	Taikai	130	16%
2	Taikai	223	14%	Sieyuan	312	17%	Taikai	392	17%	Sieyuan	97	12%
3	XD	171	10%	XD	246	13%	XD	311	14%	XD	77	9%
4	Guirong	151	9%	Guirong	174	9%	Pinggao	153	7%	TBEA	77	9%
5	TBEA	147	9%	TBEA	151	8%	Nissin	138	6%	Guirong	74	9%

Inductors

Rank	2023 tender (CR5=69%) Company	Tendering (Rmb mn)	Market share (%)	2024 tender (CR5=64%) Company	Tendering (Rmb mn)	Market share (%)	2025 tender (CR5=62%) Company	Tendering (Rmb mn)	Market share (%)	2026 ytd tender (CR5=67%) Company	Tendering (Rmb mn)	Market share (%)
1	TBEA	487	28%	TBEA	546	23%	TBEA	532	21%	SDEE	214	22%
2	XD	208	12%	XD	285	12%	BPEG	332	13%	TBEA	167	17%
3	SDEE	168	10%	BPEG	267	11%	BTW	267	12%	BTW	101	12%
4	Taikai	166	10%	Taikai	228	9%	Sieyuan	212	8%	Taikai	79	8%
5	Sieyuan	163	9%	SDEE	209	9%	SDEE	201	8%	BPEG	69	7%
6	BTW	156	10%	Sieyuan	160	7%	Hitachi Energy	177	8%	Sieyuan	61	6%

Source: State Grid, Data compiled by Goldman Sachs Global Investment Research

Exhibit 5: Nari Tech maintained share in protective relay, gained shares in network system integrator, but lost shares in SVC/STATCOM

Arc supression extinction coil

Rank	2023 tender	CR5=94%		2024 tender	CR5=83%		2025 tender	CR5=97%		2026 ytd tender	CR5=84%	
Rank	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)
1	Sieyuan	181	30%	Sieyuan	136	21%	Sieyuan	221	27%	Xj Electric	85	22%
2	Xj Electric	125	20%	Xj Electric	123	19%	Xj Electric	203	25%	Sieyuan	79	21%
3	Taikai	124	20%	Taikai	117	18%	Siehui	156	19%	Taikai	78	20%
4	Siehui	111	18%	Siehui	106	16%	BPEG	135	17%	Siehui	45	12%
5	Shunte	32	5%	Shunte	64	10%	Taikai	68	8%	BPEG	33	9%

SVC/STATCOM

Rank	2023 tender	CR5=100%		2024 tender	CR5=93%		2025 tender	CR5=91%		2026 ytd tender	CR5=73%	
Rank	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)
1	CEPRI	26	43%	NARI Tech	554	86%	NARI Tech	419	48%	Sieyuan	84	26%
2	NARI Tech	25	42%	Sieyuan	35	5%	Sieyuan	168	19%	NARI Tech	82	25%
3	Sieyuan	6	10%	CEPRI	11	2%	Xj Electric	129	15%	Sifang	45	14%
4	Sifang	3	5%	Xj Electric	2	0%	Sifang	72	8%	Xj Electric	26	8%
5	Xj Electric	0	0%	Sifang	0	0%	CEPRI	0	0%	CEPRI	0	0%

Capacitors

Rank	2023 tender	CR5=61%		2024 tender	CR5=63%		2025 tender	CR5=69%		2026 ytd tender	CR5=66%	
Rank	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)
1	Sieyuan	210	15%	Sieyuan	173	14%	Sieyuan	308	19%	Sieyuan	101	17%
2	Guirong	184	13%	Guirong	163	14%	Nissin	226	14%	Guirong	85	14%
3	Herong Electric	158	12%	Herong Electric	158	13%	Sunking	219	13%	Taikai	71	12%
4	Taikai	140	10%	XD	132	11%	XD	195	12%	XD	70	12%
5	XD	135	10%	Nissin	128	11%	Xincheng	192	12%	Sunking	64	11%

Protective relay

Rank	2023 tender	CR5=82%		2024 tender	CR5=77%		2025 tender	CR5=75%		2026 ytd tender	CR5=46%	
Rank	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)
1	NARI Tech	1,690	35%	NARI Tech	1,395	33%	NARI Tech	1,703	31%	NARI Tech	803	32%
2	Changyuan	677	14%	Sifang	595	14%	Sifang	784	14%	Sifang	391	15%
3	Sifang	660	14%	Nanrui Group	468	11%	Changyuan	691	13%	Xj Electric	345	14%
4	Nanrui Group	557	12%	Changyuan	439	10%	Xj Electric	493	9%	Changyuan	220	9%
5	Xj Electric	369	8%	Xj Electric	354	8%	Nanrui Group	472	9%	Nanrui Group	194	8%

Network system integrator

Rank	2023 tender	CR5=93%		2024 tender	CR5=93%		2025 tender	CR5=97%		2026 ytd tender	CR5=98%	
Rank	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)	Company	Tendering (Rmb mn)	Market share (%)
1	SGIT	800	29%	SGIT	1,594	42%	SGIT	1,476	39%	SGIT	544	40%
2	SGIT Group	645	24%	Nanrui Group	976	26%	SGIT Group	1,175	31%	NARI Tech	342	25%
3	Nanrui Group	543	20%	SGIT Group	583	15%	NARI Tech	677	18%	Xj Electric	339	25%
4	NARI Tech	349	13%	NARI Tech	287	8%	SDG	214	6%	SGIT Group	106	8%
5	SDG	211	8%	SDG	99	3%	Asia Link	78	2%	SDG	9	1%

Source: State Grid, Data compiled by Goldman Sachs Global Investment Research

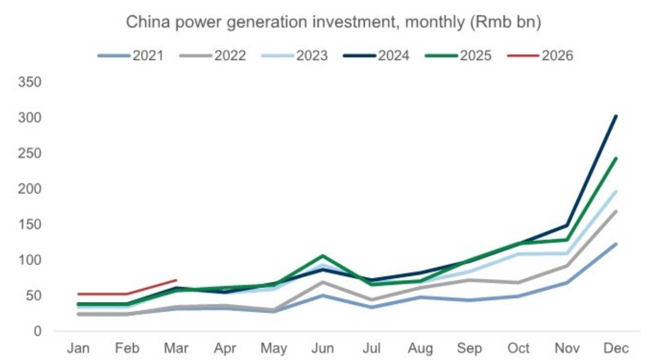
Exhibit 6: Jan-Mar accumulative power grid investment delivered 43% yoy growth vs Jan-Feb growth at 80% yoy

China power grid investment, monthly

Source: Wind, Data compiled by Goldman Sachs Global Investment Research

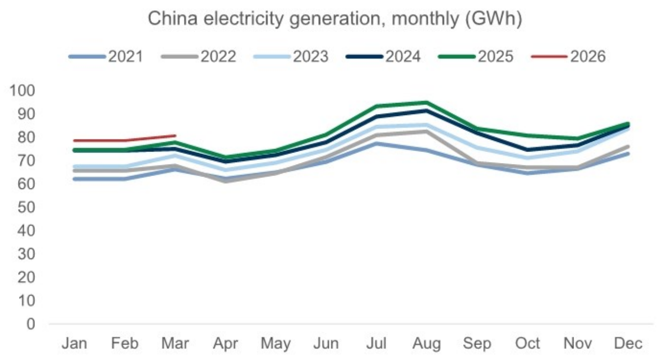
Exhibit 7: Jan-Mar accumulative power generation investment delivered 27% yoy growth vs Jan-Feb growth at 32% yoy

China power generation investment, monthly



Source: Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 8: Jan-Mar power consumption was at +5% yoy, same as Jan-Feb growth of 5% yoy



Source: Wind, Data compiled by Goldman Sachs Global Investment Research

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Disclosure Appendix

Reg AC

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