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## **China Power International Development Limited**

**中國電力國際發展有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 2380)**

### **DISCLOSEABLE AND CONNECTED TRANSACTIONS**

#### **EPC Contracting Agreements, Preliminary Development and Technical Consultancy Agreement and Construction Engineering Survey Agreement**

On 13 April 2021, Haiyang Wind Power (a subsidiary of the Company) entered into two EPC Contracting Agreements with Shandong Institute, pursuant to which Shandong Institute has agreed to provide engineering, procurement and construction services to Haiyang Wind Power for the Project. The aggregate maximum consideration payable under the EPC Contracting Agreements is RMB3,396,342,130 (equivalent to approximately HK\$4,043,264,000).

On the same date, Haiyang Wind Power and Shandong Institute also entered into the following agreements: (i) the Preliminary Development and Technical Consultancy Agreement, pursuant to which Shandong Institute has agreed to provide technical consultancy services in respect of the preliminary development of the Project, for a consideration of RMB49,900,000 (equivalent to approximately HK\$59,405,000); and (ii) the Construction Engineering Survey Agreement, pursuant to which Shandong Institute has agreed to provide engineering surveying services for the Project, for a consideration of RMB26,620,000 (equivalent to approximately HK\$31,690,000).

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SPIC is the ultimate controlling shareholder of the Company which is interested in approximately 60.04% of the issued share capital of the Company. Shandong Institute, being an indirect subsidiary ultimately owned and controlled by SPIC, is a connected person of the Company as defined in the Listing Rules. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the total maximum consideration payable for the Project Agreements aggregated under the applicable Listing Rules exceed 5% but are all less than 25%, the Transactions constitute (i) a discloseable transaction of the Company subject to the announcement requirement under Chapter 14 of the Listing Rules, and (ii) connected transactions of the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, an Independent Board Committee has been formed to advise and provide recommendation to the Independent Shareholders on the terms of the Project Agreements and the Transactions, and to advise the Independent Shareholders on how to vote. Gram Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the Project Agreements, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, and a notice of the general meeting of the Company are expected to be despatched to the shareholders of the Company on or around 4 May 2021.

## **BACKGROUND**

With the release of “The Fourteenth Five-Year Plan for National Economic and Social Development and the Outline of Long-term Goals for 2035 of the PRC (《中國國民經濟和社會發展第十四個五年規劃和 2035 年遠景目標綱要》)”, the development of non-fossil energy in building a modern energy system was laid down more specifically. Under the national goals of “Carbon Peak” and “Carbon Neutrality”, all provinces are accelerating their pace of renewable energy development for the purpose. Among them, the national plan clarifies to strengthen the development in Shandong Peninsula, implement high-quality green development strategy, and thus ascertain the local development prospect of the wind power industry.

Haiyang Wind Power, a subsidiary of the Company located in Shandong Province, seized the opportunity to develop the first offshore wind power demonstration project, namely “Shandong Peninsula South No. 3 Offshore Wind Power Project” in the province which is also the first offshore wind power project of the Company. The total investment amount of the entire project is RMB5.59 billion and with a total planned installed capacity of 500MW. The first phase of the project will comprise construction of 58 sets of 5.2MW offshore wind turbines of an installed capacity of 300MW which is expected to generate electricity of approximately 1 billion kWh per year.

On 13 April 2021, Haiyang Wind Power entered into two EPC Contracting Agreements, the Preliminary Development and Technical Consultancy Agreement, and the Construction Engineering Survey Agreement with Shandong Institute in relation to the development and construction of the Project. Set out below are the principal terms of the Project Agreements.

## 1. ONSHORE CONSTRUCTION EPC AGREEMENT

### Date

13 April 2021

### Parties

- (i) Haiyang Wind Power (as the Employer); and
- (ii) Shandong Institute (as the Contractor).

### Services to be provided by the Contractor

The Contractor has agreed to act as the main contractor and provide designing, procurement, construction and installation, and technical support services for the onshore constructions (including but not limited to the onshore control centre) of the Project. Such services include surveying, designing (including preliminary design, construction drawing design, production of completion drawing), equipment and material procurement, construction installation and engineering implementation, project management, supervision of facilities production, commissioning, completion certification (including conducting trial runs, flaws elimination, assurance acceptance assessment of the whole system's performance), training, performance quality assurance and follow-up services covering the quality warranty period of the entire onshore construction of the Project.

### Consideration

The total maximum contracting fee under the Onshore Construction EPC Agreement payable by the Employer is RMB115,183,428 (inclusive of all taxes), comprising (i) the fixed fee of RMB46,680,846 (the “**Onshore Construction Fixed Fee**”), (ii) the equipment procurement fee of RMB37,002,581, and (iii) the estimated fees of RMB31,500,000 for the relevant professional services, materials and facilities engineering that are necessary in the course of construction. The equipment procurement fee and the estimated fees are subject to adjustments based on the actual costs incurred, but will not exceed the above amounts specified.

The Onshore Construction Fixed Fee consists of the following components with reference to the various types of services to be provided by the Contractor in relation to the onshore constructions of the Project.

Fees	Amount <sup>#</sup> (RMB'000) (inclusive of all taxes)
Design fee	3,911
Construction fee	28,846
Installation fee	6,154
Other fees	7,770
Total	46,681

<sup>#</sup> the amounts are rounded up to the nearest RMB1,000

## Payment terms

The Employer shall make a prepayment to the Contractor an amount which is equivalent to 10% of the total contracting fee within 1 month after the Onshore Construction EPC Agreement becoming effective and the Employer having received and verified from the Contractor an irrevocable bank performance guarantee for an amount which is equivalent to 10% of the total contracting fee.

The remaining 90% of the total contracting fee is payable by instalments according to their respective payment terms as specified below.

Onshore Construction Fixed Fee:

- *Design fee:* 20% is payable within 30 days after the design of the preliminary drawing documents have been confirmed; 65% (in which 10% is regarded as being satisfied and set-off by the prepayment for 10% of the design fee) is payable within 30 days after the construction drawing documents have been confirmed; 10% is payable within 30 days after completion of the audit for project completion settlement; the remaining 5% will be a warranty for quality assurance, and is payable within 30 days of one year after the delivery of the Project.
- *Construction and installation fee:* up to 97% (in which 10% is regarded as being satisfied and set-off by the prepayment for 10% of the construction and installation fee) is payable in accordance with six scheduled milestone stages of the construction and installation; 3% is payable within 30 days after the completion of the defects liability period in accordance with the terms of the agreement.
- *Other fees:* 50% is payable within 30 days after receipt of the invoice for the relevant fees (subject to any applicable deductions); 45% (in which 10% is regarded as being satisfied and set-off by the prepayment for 10% of the other fees) is payable within 30 days after the overall completion and acceptance of the Project; the remaining 5% will be a warranty for quality assurance, and is payable (subject to any applicable deductions) within 30 days of one year after the delivery of the Project.

Equipment procurement fee: with respect to each batch of equipment, (i) 20% is payable as material fees within 30 days after verification of the required documents for the procurement of the relevant equipment; (ii) 50% is payable within 30 days after verification of the delivery invoices and quality inspection certificates of the relevant equipment; (iii) 10% is payable within 30 days after the equipment has passed the trial operation; (iv) the remaining 10% will be a warranty for quality assurance, and is payable (subject to any applicable deductions) within 30 days of twelve months after the acceptance of construction completion and the delivery of the Project.

Estimated fees: payable in accordance with the actual requirements in various stages of construction.

## 2. OFFSHORE CONSTRUCTION EPC AGREEMENT

### Date

13 April 2021

### Parties

- (i) Haiyang Wind Power (as the Employer); and
- (ii) Shandong Institute (as the Contractor).

### Services to be provided by the Contractor

The Contractor has agreed to act as the main contractor and provide designing, procurement, construction and installation, and technical support services for the offshore constructions (including but not limited to the power plant) of the Project. Such services include surveying, designing (including preliminary design, construction drawing design, production of completion drawing), equipment and material procurement, construction installation and engineering implementation, project management, supervision of facilities production, commissioning, completion certification (including conducting trial runs, flaws elimination, assurance acceptance assessment of the whole system's performance), training, performance quality assurance and follow-up services covering the quality warranty period of the entire offshore construction of the Project.

### Consideration

The total maximum contracting fee under the Offshore Construction EPC Agreement payable by the Employer is RMB3,281,158,702 (inclusive of all taxes), comprising (i) the fixed fee of RMB426,009,196 (the “**Offshore Construction Fixed Fee**”) and (ii) the estimated fees of RMB2,855,149,506 for the relevant professional services, materials and facilities engineering that are necessary in the course of construction. The estimated fees are subject to adjustments based on the actual costs incurred, but will not exceed the above amount specified.

The Offshore Construction Fixed Fee consists of the following components with reference to the various types of services to be provided by the Contractor in relation to the offshore constructions of the Project.

Fees	Amount <sup>#</sup> (RMB'000) (inclusive of all taxes)
Design fee	41,630
Equipment procurement fee	65,474
Construction and installation fee	115,718
Other fees	203,187
Total	426,009

<sup>#</sup> the amounts are rounded up to the nearest RMB1,000

## **Payment terms**

The Employer shall make a prepayment to the Contractor an amount which is equivalent to 10% of the total contracting fee within 1 month after the Offshore Construction EPC Agreement becoming effective and the Employer having received and verified from the Contractor an irrevocable bank performance guarantee for an amount which is equivalent to 10% of the total contracting fee.

The remaining 90% of the total contracting fee is payable by instalments according to their respective payment terms as specified below.

Offshore Construction Fixed Fee:

- *Design fee:* 20% is payable within 30 days after the design of the preliminary drawing documents have been confirmed; 65% (in which 10% is regarded as being satisfied and set-off by the prepayment for 10% of the design fee) is payable within 30 days after the construction drawing documents have been confirmed; up to 95% is payable within one month after the completion of the audit for project completion settlement; the remaining 5% will be a warranty for quality assurance, and is payable within 30 days after the completion of the audit for project completion settlement and the Employer having received and verified the quality assurance letter issued by the Contractor.
- *Equipment procurement fee:* with respect to each batch of equipment, (i) 30% is payable as material fees within 30 days after verification of the required documents for the procurement of the relevant equipment; (ii) 30% is payable within 30 days after verification of the delivery invoices and quality inspection certificates of the relevant equipment; (iii) 20% is payable within 30 days after all equipment has passed the trial operation; (iv) the remaining 10% will be a warranty for quality assurance, and is payable (subject to any applicable deductions) within 30 days after the completion of the audit for project completion settlement and the Employer having received and verified the quality assurance letter issued by the Contractor.
- *Construction and installation fee and other fees:* up to 90% (the prepayment of which shall be set-off in three stages) is payable in accordance with nine scheduled milestone stages of the construction; 10% is payable (subject to any applicable deductions) within 30 days after the completion of the audit for project completion settlement and the Employer having received and verified the quality assurance letter issued by the Contractor.

Estimated fees: payable in accordance with the actual requirements in various stages of construction.

## **Completion of the Project**

*Completion date:* within 6 months after all wind turbines are put into production.

- (i) By 30 September 2021, the first batch of wind turbines shall be connected to the power grid for power generation.
- (ii) By 30 November 2021, all wind turbines shall be put into production.

*Late completion penalty:* if the Contractor cannot complete the construction according to the completion date specified above or the extended construction period agreed by the project engineers. For every day of delay due to the Contractor's cause, the Contractor shall pay the Employer damages of RMB100,000 per day and up to the maximum amount of RMB50 million (including the total amount of increase in fees caused by factors such as inflation prices).

### **3. PRELIMINARY DEVELOPMENT AND TECHNICAL CONSULTANCY AGREEMENT**

#### **Date**

13 April 2021

#### **Parties**

- (i) Haiyang Wind Power (as the Employer); and
- (ii) Shandong Institute (as the Contractor).

#### **Services to be provided by the Contractor**

The Contractor has agreed to provide technical consultancy services in respect of the preliminary development of the Project. Such services include preparing project feasibility reports and other submissions to government authorities, liaising with the authorities with a view to obtaining the relevant supportive policies or approvals, and conducting wind measurements which include procuring and installing the relevant equipment and constructing wind measurement facilities.

#### **Consideration**

The total contracting fee under the Preliminary Development and Technical Consultancy Agreement payable by the Employer is RMB 49,900,000 (inclusive of all taxes) and consists of the following components.

Fees	Amount (RMB'000) (inclusive of all taxes)
Project pre-approval technical consultancy fee	28,100
Project preparation technical consultancy fee	16,200
Wind measurement fee	5,600
Total	49,900

## Payment terms

The Employer shall make a prepayment to the Contractor an amount which is equivalent to 10% of the total contracting fee within 40 days after receipt of a payment application from the Contractor, provided that (i) the Preliminary Development and Technical Consultancy Agreement having become effective; and (ii) the Employer having received and verified from the Contractor, within 10 days after execution of the agreement, an irrevocable bank performance guarantee for an amount which is equivalent to 10% of the total contracting fee. The remaining 90% of the total contracting fee is payable by instalments according to the respective stages of work having completed, delivered and verified by the Employer.

## 4. CONSTRUCTION ENGINEERING SURVEY AGREEMENT

### Date

13 April 2021

### Parties

- (i) Haiyang Wind Power (as the Employer); and
- (ii) Shandong Institute (as the Contractor).

### Services to be provided by the Contractor

The Contractor has agreed to provide engineering surveying services in respect of the offshore areas of the Project, including geological surveying, topographic surveying and mapping, and route surveying.

### Consideration

The total contracting fee under the Construction Engineering Survey Agreement payable by the Employer is RMB26,620,000 (inclusive of all taxes) and consists of the following components.

Fees	Amount (RMB'000) (inclusive of all taxes)
Surveying fee	25,289
Quality assurance fee	1,331
Total	26,620

### Payment terms

Surveying fee: The Employer shall make a prepayment to the Contractor an amount which is equivalent to 10% of the surveying fee within 20 days after the Construction Engineering Survey Agreement becoming effective and the Employer having received from the Contractor an irrevocable bank performance guarantee for an amount which is equivalent to 10% of the surveying fee. The remaining 90% of the surveying fee is payable by instalments according to the respective stages of work having completed, delivered and verified by the Employer.

Quality assurance fee: (i) 80% is payable within 30 days after the last wind turbine has been constructed; (ii) 20% is payable within 30 days after the last wind turbine has passed the trial operation for 1 year provided that there has been no major error in the geological surveys and engineering surveys on the part of the Contractor that causes the Project's failure to reach its designed efficiency for one consecutive year.

## **EFFECTIVENESS OF THE PROJECT AGREEMENTS**

All the Project Agreements will be effective after execution and after the Company has obtained the approval at its shareholders meeting (if required) under the applicable Listing Rules.

## **BASIS OF CONSIDERATION FOR THE PROJECT AGREEMENTS**

The Group awarded the Project Agreements to the Contractor following a stringent competitive tendering process. The tender announcements for the required project works were published on the China Procurement and Bidding Network\* (中國採購與招標網) at [www.chinabidding.com.cn](http://www.chinabidding.com.cn), the State's authorized media for public tenders, in accordance with the prevailing laws and regulations on implementation of public bidding in the PRC.

The consideration payable for each of the Project Agreements is compatible to the prevailing rates or is at better terms than those charged by other contractors or project companies for comparable jobs in the market. The Directors (excluding the independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the consideration and the terms of the Project Agreements are no less favourable to the Group than those available from independent third parties.

## **FINANCIAL IMPACT TO THE GROUP**

The total investment amount of the entire project is RMB5.59 billion, 20% of which will be mainly financed by the Group's internal resources as capital injection to Haiyang Wind Power and 80% of which will be financed by external borrowings through project financing. It is estimated that around 85% of the total investment amount (i.e. RMB4.75 billion) will have completed financing in 2021. At the Group's level, based on the financial information as at 31 December 2020 prepared under the HKFRS presented in the preliminary results announcements of the Company, it is estimated that the Project will increase the asset-liability ratio of the Group by approximately 0.87%.

At present, the Group has already obtained over RMB6.0 billion of financing credits from sizeable banks in the PRC designated for development of the Project. The Company believes that it has sufficient financial sources to satisfy the funding needs of the Project.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The development of the Project is in line with the strategy of accelerating the development of renewable energy and national industrial policies under "The Fourteenth Five-Year Plan for National Economic and Social Development and the Outline of Long-term Goals for 2035 of the PRC (《中國國民經濟和社會發展第十四個五年規劃和 2035 年遠景目標綱要》)". At the same time, offshore wind power development is one of the frontier directions for technological upgrading of global wind power industry. It is of great significance for alleviating energy and environmental pressure, and promoting the efficient use of clean energy.

Shandong Province is one of the eastbound coastal provinces that have developed economies, high power loads, strong energy consumption, high annual wind power utilization hours, and abundant offshore wind energy resources, and offshore wind power will be an important part of the energy structure of the coastal areas. The Project plays an important role in promoting the Company's clean energy development in Shandong Province and will assist the Group to obtain further rights to develop a large-scale offshore wind power base in the Shandong Peninsula, and thus is of strategic significance to the business development of the Group in the coming future.

The Project is currently the only offshore wind power project in Shandong Province that has obtained all the necessary government authorities' approvals and permits (including but not limited to Construction Land Planning Permit, Construction Project Planning Permit, Construction Project Construction Permit, Approval of Environmental Impact Report, Approval Opinions of Municipal Ecological Environment Department, Approval of Sea Area Use Right, Sea Area Real Property Certificate, etc.) to commence construction work and has gained full support from the local government. Upon completion of the Project, it will bring economic benefits in terms of additional revenue and income to the Group as well as increasing its market competitiveness.

The Directors recognize that Shandong Institute is among the leading electric power engineering companies in the PRC, it possesses the relevant experience and expertise in the provision of relevant engineering consulting and technical services for large-scale power plants and ancillary facilities construction projects at home and abroad. More importantly, the Project Agreements are essential to ensure the successful completion of the Project.

The Directors (excluding the independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) are of the view that (i) the Project Agreements and the Transactions are in the ordinary and usual course of business of the Group and on normal commercial terms or better, and (ii) their terms are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the Transactions and therefore no Director has abstained from voting on the Board resolution approving the same.

## **INFORMATION ON THE GROUP AND THE EMPLOYER**

The Company is a core subsidiary of SPIC for conventional energy business. SPIC (together with its subsidiaries) is the only one integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources in the PRC.

The Group is principally engaged in generation and sale of electricity in Mainland China, including investment, development, operation and management of coal-fired power, hydropower, wind power and photovoltaic power plants. Its businesses are located in the major power grid regions of China.

Haiyang Wind Power is a wholly-owned subsidiary of SPIC Shandong Energy Development Co., Ltd.\* 國家電投集團山東能源發展有限公司 (a wholly-owned subsidiary of the Company) established in 2020. It is principally engaged in generation and sales of electricity, seawater desalination treatment, aquaculture and any other business projects and activities with approved license or permits.

## **INFORMATION ON THE CONTRACTOR**

Shandong Institute is an indirect subsidiary ultimately owned and controlled by SPIC, established in 1958 which is principally engaged in providing electric power planning, engineering survey, design and consulting, and project construction services. It possesses comprehensive Grade A qualification certificates in engineering design, engineering survey and engineering consulting. It is a national high-tech enterprise and the chair unit of Shandong Electric Power Survey and Design Association.

The business of Shandong Institute has 11 domestic and foreign branches, covering 33 provinces (autonomous regions and municipalities) in the PRC and more than 40 countries and regions. At present, it has 14 professional employees who are recognized national, industrial and provincial survey and design masters, and more than 610 registered professionals at different divisional and national levels.

Shandong Institute has been ranked as one of the forefront companies among the “National Survey and Design Comprehensive Strength 100 Institutes” of the Chinese power industry for the past many years. It has been among the top 60 American ENR•China engineering design companies for four consecutive years, and has been among the top 80 Chinese contractors for three consecutive years.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SPIC is the ultimate controlling shareholder of the Company which is interested in approximately 60.04% of the issued share capital of the Company. Shandong Institute, being an indirect subsidiary ultimately owned and controlled by SPIC, is a connected person of the Company as defined in the Listing Rules. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the total maximum consideration payable for the Project Agreements aggregated under the applicable Listing Rules exceed 5% but are all less than 25%, the Transactions constitute (i) a discloseable transaction of the Company subject to the announcement requirement under Chapter 14 of the Listing Rules, and (ii) connected transactions of the Company subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

A general meeting of the Company will be convened to seek the Independent Shareholders’ approval regarding the Transactions. China Power Development Limited, China Power International Holding Limited and SPIC International Finance (Hong Kong) Company Limited, being shareholders of the Company and associates of SPIC, will abstain from voting at the general meeting.

In accordance with the Listing Rules, an Independent Board Committee has been formed to advise and provide recommendation to the Independent Shareholders on the terms of the Project Agreements and the Transactions and to advise the Independent Shareholders on how to vote. Gram Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the Project Agreements, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, and a notice of the general meeting of the Company are expected to be despatched to the shareholders of the Company on or around 4 May 2021.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Construction Engineering Survey Agreement”	the agreement dated 13 April 2021 entered into between Haiyang Wind Power and Shandong Institute in relation to the engineering surveying services for the Project
“Director(s)”	director(s) of the Company
“EPC Contracting Agreements”	the Onshore Construction EPC Agreement and the Offshore Construction EPC Agreement, each a “EPC Contracting Agreement”
“Group”	the Company and its subsidiaries from time to time
“Haiyang Wind Power” or “Employer”	SPIC Haiyang Offshore Wind Power Co., Ltd* (國家電投集團海陽海上風電有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of all the independent non-executive Directors, consisting of Mr. Kwong Che Keung, Gordon, Mr. Li Fang and Mr. Yau Ka Chi, which has been formed to advise the Independent Shareholders in respect of the Project Agreements and the Transactions
“Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Project Agreements and the Transactions

“Independent Shareholders”	the shareholders of the Company other than SPIC and its associates
“kWh”	kilowatt-hour, a standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt, that is, one million watts. The installed capacity of a power plant is generally expressed in MW
“Offshore Construction EPC Agreement”	the agreement dated 13 April 2021 entered into between Haiyang Wind Power and Shandong Institute in relation to the engineering, procurement and construction services for offshore constructions of the Project
“Onshore Construction EPC Agreement”	the agreement dated 13 April 2021 entered into between Haiyang Wind Power and Shandong Institute in relation to the engineering, procurement and construction services for onshore constructions of the Project
“PRC” or “China” or “State”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Preliminary Development and Technical Consultancy Agreement”	the agreement dated 13 April 2021 entered into between Haiyang Wind Power and Shandong Institute in relation to the technical consultancy services in respect of the preliminary development of the Project
“Project”	being the first phase of the entire project (of a total planned installed capacity of 500MW) involving the development and construction of an offshore wind power plant with an installed capacity of 300MW in Shandong Province, the PRC
“Project Agreements”	(i) the Onshore Construction EPC Agreement; (ii) the Offshore Construction EPC Agreement; (iii) the Preliminary Development and Technical Consultancy Agreement; and (iv) the Construction Engineering Survey Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Institute” or “Contractor”	Shandong Institute Power Engineering Consulting Institute Corp., Ltd.* (山東電力工程諮詢院有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of SPIC

“SPIC”	State Power Investment Corporation Limited* (國家電力投資集團有限公司), the ultimate controlling shareholder of the Company, a wholly state-owned enterprise established by the approval of the State Council of the PRC* (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Project Agreements

*\* English or Chinese translation, as the case may be, is for identification only*

This announcement contains translation between Renminbi and Hong Kong dollars at RMB 0.84 to HK\$1.00. The translation shall not be taken as representation that the Renminbi could actually be converted into Hong Kong dollars at that rate, or at all.

By Order of the Board  
**China Power International Development Limited**  
**He Xi**  
*Chairman*

Hong Kong, 13 April 2021

*As at the date of this announcement, the directors of the Company are: executive director He Xi, non-executive directors Wang Xianchun and Zhou Jie, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Yau Ka Chi.*