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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)

CONNECTED TRANSACTION

EPC Contracting Agreement

On 26 September 2023, Jingchu Energy, a wholly-owned indirect subsidiary of the Company, entered into an EPC Contracting Agreement with Shandong Institute, pursuant to which Shandong Institute will provide engineering survey design, procurement, construction and installation, and other technical support services in relation to the Jingmen Photovoltaic Project at a consideration of approximately RMB37,940,000 (equivalent to approximately HK\$41,239,000).

As at the date of this announcement, SPIC owns approximately 62.33% of the issued share capital of the Company. As SPIC is the ultimate controlling shareholder of the Company, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

Shandong Institute is an indirect subsidiary of SPIC and is ultimately controlled by SPIC. Accordingly, Shandong Institute is a connected person of the Company and the entering into the EPC Contracting Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the EPC Contracting Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the EPC Contracting Agreement is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that Jingchu Energy, a wholly-owned indirect subsidiary of the Company, entered into an EPC Contracting Agreement with Shandong Institute on 26 September 2023 in relation to the construction of a distributed rooftop photovoltaic power generation system with a planned installed capacity of 21 MW (Jingmen Photovoltaic Project, an integrated smart zero-carbon power project) in the High-tech Zone of Jingmen City, Hubei Province, the PRC.

EPC CONTRACTING AGREEMENT

Date

26 September 2023

Parties

- (i) Jingchu Energy , 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 to provide engineering survey design, procurement, construction and installation, technical support services, and follow-up services for the Jingmen Photovoltaic Project.

Consideration

The total consideration under the EPC Contracting Agreement payable by the Employer is approximately RMB37,940,000 (inclusive of all taxes) and is categorized as follows:

The Fees	Amount (RMB) (Inclusive of all taxes)
Construction and installation engineering fees	22,159,000
Equipment procurement fees	13,209,000
Survey and design fees	700,000
Other fees*	1,872,000
Total	37,940,000

* Other fees comprise expenses related to production preparation, trial operation, preliminary administration and acceptance services.

Payment terms

The Employer shall make an interest-free prepayment to the Contractor equivalent to 10% of the total consideration pursuant to the terms of the EPC Contracting Agreement.

The total consideration shall be payable by instalments in accordance with the construction progress of the Jingmen Photovoltaic Project and the remaining 3% shall be retained as warranty for quality assurance and payable upon certified acceptance one year from the day the Jiangmen Photovoltaic Project has passed its trial operation, subject to any applicable deductions.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

The Jingmen Photovoltaic Project involves the construction of a distributed rooftop photovoltaic power generation and supply system for factory buildings. It is an integrated smart zero-carbon power project with the purpose of establishing a collaborative economic development mechanism for key county, the High-tech Zone of Jingmen City, Hubei Province, which is in line with national policies and the Group's strategic goal of green and sustainable development. Distributed photovoltaic power generation is one of the new form of clean energy development conducive to the promotion and realization of national environmental targets of "Dual Carbon Goals" (i.e. carbon emissions peak by 2030 and carbon neutrality by 2060).

The Group awarded the EPC Contracting Agreement to Shandong Institute by a mixed selection process which comprised of referencing to the quotations obtained for similar projects in the market during a specific timeframe and with comparable geographical location, as well as the internal procurement management policies in relation to selection of the most suitable contractor. The consideration and the committed project completion timeframe of the EPC Contracting Agreement conform with prevailing terms or on better terms than those provided by other project companies for comparable projects in the market. The Directors are of the view that the consideration of the EPC Contracting Agreement and its respective terms are no less favourable to the Group than those available from independent third parties.

The Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the EPC Contracting Agreement has been entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the EPC Contracting Agreement or is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF JINGCHU ENERGY

Jingchu Energy is a wholly-owned indirect subsidiary of the Company established in November 2021 and is principally engaged in the generation, transmission and supply of electricity, as well as technical services in relation to photovoltaic power generation.

INFORMATION OF SHANDONG INSTITUTE

Shandong Institute is an indirect subsidiary ultimately owned and controlled by SPIC. It was established in 1958 and 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 and engineering survey. It is a national high-tech enterprise and the standing director chair unit of China Electric Power Planning & Engineering Association and 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 five consecutive years, and has been among American ENR top 250 International Contractors in World for two consecutive years.

INFORMATION OF THE GROUP

The Company is the core and flagship listed subsidiary of SPIC. The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and provision of energy storage, green power transportation, and integrated intelligent energy solution services. Its businesses are located in various major power grid regions of China.

INFORMATION OF SPIC

SPIC is an investment holding company principally engaged in businesses that cover various sectors, including power, coal, aluminum, logistics, finance, environmental protection and high-tech industries in the PRC and abroad. SPIC, together with its subsidiaries, is an integrated energy group which simultaneously owns thermal power, hydropower, nuclear power and renewable energy resources in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SPIC owns approximately 62.33% of the issued share capital of the Company. As SPIC is the ultimate controlling shareholder of the Company, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

Shandong Institute is an indirect subsidiary of SPIC. Accordingly, Shandong Institute is a connected person of the Company and the entering into the EPC Contracting Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the EPC Contracting Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the EPC Contracting Agreement is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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 (中國電力國際發展有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company

“EPC Contracting Agreement”	the agreement dated 26 September 2023 entered into between Jingchu Energy and Shandong Institute in relation to the provision of engineering survey design, procurement, construction and installation, and other technical support services for the Jingmen Photovoltaic Project
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jingchu Energy” or “Employer”	國電投荊楚能源有限公司 (SPIC Jingchu Energy Co., Ltd.*), a company incorporated in the PRC with limited liability, and a wholly-owned indirect subsidiary of the Company
“Jingmen Photovoltaic Project”	an integrated smart zero-carbon power project undertaken by Jingchu Energy in relation to the construction of a distributed rooftop photovoltaic power generation system with a planned installed capacity of 21 MW in the High-tech Zone of Jingmen City, Hubei Province, the PRC
“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 which is a unit of measurement for the output of power generation
“PRC” or “China”	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
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Institute” or “Contractor”	Shandong Electric 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”	國家電力投資集團有限公司 (State Power Investment Corporation Limited*), 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

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.92 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, 26 September 2023

As at the date of this announcement, the directors of the Company are: executive directors HE Xi and GAO Ping, non-executive directors ZHOU Jie and HUANG Qinghua, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.