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

Transfer of Equity Interests in Subsidiaries

Equity Transfer Agreements

On 29 September 2023, the Transferor(s) (the Company or its subsidiaries), the Transferee (the SPV, owned as to 36% equity interest and ultimately controlled by the Group) and the respective Target Companies entered into five Equity Transfer Agreements, pursuant to which the Transferor(s) agreed to sell and the Transferee agreed to acquire the respective Equity Interests for an aggregate consideration of RMB3,412,467,708 (equivalent to approximately HK$3,709,204,000).

As certain applicable percentage ratios in respect of the Equity Transfer Agreements are more than 5% but less than 25%, the entering into the Equity Transfer Agreements and the transactions contemplated thereunder constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Jiuquan Agreement

Under the Jiuquan Agreement (one of the five Equity Transfer Agreements), CPINE agreed to sell and the SPV agreed to acquire 26.6951% of the equity interest of Jiuquan Third Wind Power for a consideration of RMB1,033,853,076 (equivalent to approximately HK$1,123,753,000).

As at the date of this announcement, SPIC indirectly owns approximately 62.43% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. CPINE as an indirect subsidiary ultimately owned and controlled by SPIC, is an associate of SPIC and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CPINE's Equity Transfer of Jiuquan Third Wind Power as one of the Transferors to the Transferee also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios in respect of the Equity Transfer of Jiuquan Third Wind Power from CPINE to the SPV under the Jiuquan Agreement exceed 0.1% but are less than 5%, it is subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Upon completion of the Equity Transfers, as the Company remains in control of the Target Companies through the SPV, their financial results and financial position will continue to be consolidated into the financial statements of the Group.

INTRODUCTION

Reference is made to the Company's announcement dated 29 April 2022 in relation to the establishment of a limited Partnership Fund and the setting up of an SPV under the Partnership Fund for investing in the Target Companies (subsidiaries of the Company engaging in the clean energy sector). The Equity Transfers would enable the Group to obtain additional financing for developing its clean energy projects while maintaining control over the Target Companies.

EQUITY TRANSFER AGREEMENTS

Date

29 September 2023

Parties

(i) the subsidiaries of the Company, as the Transferor(s), ***or***
the Company and CPINE in the Jiuquan Agreement, as the Transferors

(ii) the SPV, as the Transferee; and

(iii) the respective Target Companies.

The SPV is held as to 20% indirectly by the Company and 80% directly by the Partnership Fund, while the Partnership Fund is held as to 20% indirectly by the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, all the other shareholders of the Partnership Fund and their respective ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

The Equity Transfers and Consideration

The Transferee has agreed to acquire and the Transferor(s) has/have agreed to sell the Equity Interests pursuant to the terms and conditions of the respective Equity Transfer Agreements at an aggregate consideration of RMB4,446,320,784, subject to adjustments of any profit or loss incurred by the Target Companies during the Transitional Period. Among which, a total of RMB3,412,467,708 (equivalent to approximately HK$3,709,204,000) shall be payable to the Company or its subsidiaries, and RMB1,033,853,076 (equivalent to approximately HK$1,123,753,000) shall be payable to CPINE, details are as follow.

Target Company	Appraised Value *RMB*	Changes in the Transitional Period (add or (less)) *RMB*	Equity Interests to be transferred	Consideration payable to the Company or its subsidiaries *RMB*	Consideration payable to CPINE *RMB*
	(A)	(B)	(C)	=(A+/-B) x (C)	
Jiuquan Third Wind Power	3,872,823,200	-	100%(1)	2,838,970,124	1,033,853,076
Daqing Meiyangda	105,306,700	-	100%	105,306,700	-
Huainan New Energy	419,000,000	12,800,000(2)	49%	211,582,000	-
Heze New Energy	315,847,100	(30,000,000)(3)	49%	140,065,079	-
Dezhou Tianrui	237,844,500	-	49%	116,543,805	-
			Total	**3,412,467,708**	**1,033,853,076**

Notes:

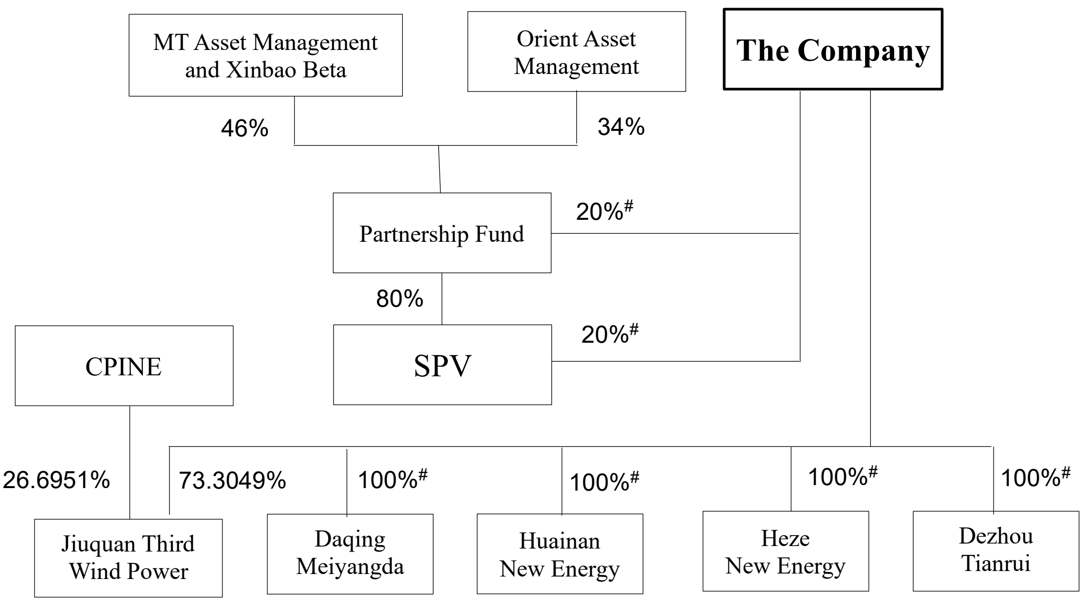
(1) Pursuant to the Jiuquan Agreement, Jiuquan Third Wind Power's Equity Interests of 73.3049% from the Company and 26.6951% from CPINE shall be transferred to the Transferee.

(2) The Transferor shall make up the unpaid registered capital of RMB12,800,000 to Huainan New Energy during the Transitional Period.

(3) Heze New Energy shall distribute a dividend of RMB30,000,000 to its original shareholder during the Transitional Period.

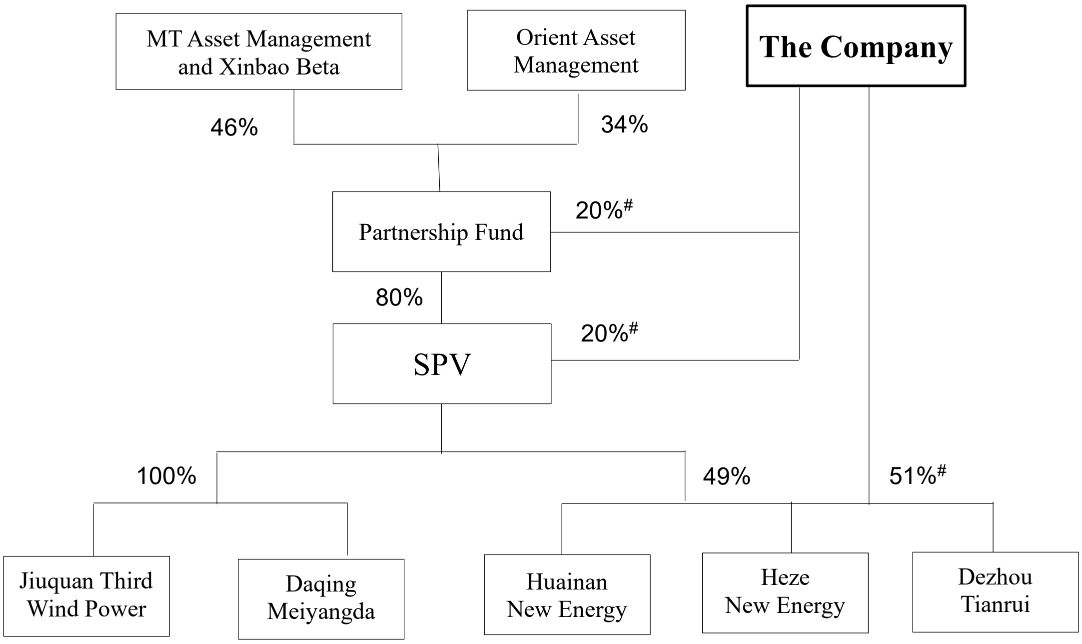
The following charts set out the changes in shareholding of the Target Companies.

Before the Equity Transfers



indirectly held

After the Equity Transfers



indirectly held

Basis of determination of the Consideration

The consideration of the Equity Transfers was determined by the parties to the Equity Transfer Agreements after arm's length negotiations with reference to (i) the appraised value of each Target Company according to its respective Valuation Report as at the respective Valuation Date; (ii) the amount of registered capital the Transferor(s) has/have paid-in to the respective Target Company and the amount of dividend to be distributed to the original shareholder(s) of the respective Target Company during the Transitional Period, if any, and (iii) the percentage of the Equity Interests to be transferred.

As the income approach was adopted in evaluating the appraised value of each Target Company (the "**Appraisal**"), it constitutes a profit forecast pursuant to Rules 14.61 and 14.62 of the Listing Rules. For further information on the principal assumptions used in the Appraisal, please refer to Appendix I to this announcement.

Ernst & Young, the reporting accountants of the Company, has reported on the calculations for the Appraisal which do not involve the adoption of accounting policies. So far as the calculations are concerned, the income approach has been adopted properly and compiled in all material respects in accordance with the bases and assumptions adopted by the Board. Please refer to the report from Ernst & Young, the full text of which is set out in Appendix II to this announcement.

The Financial Adviser is satisfied that the profit forecast has been made after due and careful enquiry by the Board. Please refer to the letter from the Financial Adviser, the full text of which is set out in Appendix III to this announcement.

Conditions Precedent

The Equity Transfer Agreements are conditional upon the fulfilment or waiver of all conditions precedent, as follows:

(i) The Transferor(s), each Target Company and the Transferee have completed their respective internal approval process and have obtained all necessary authorizations;

(ii) The Transferor(s) have obtained the consent of the other shareholders of each Target Company for the transfer of the relevant Equity Interest(s), and the other shareholders have agreed to waive their pre-emptive rights, and provide relevant supporting documents to the Transferee (if necessary);

(iii) The Transferor(s), Transferee, each Target Company and its other shareholders (if any) have signed a new articles of association or amendments to the articles of association of each Target Company that reflect the effectiveness of the Equity Transfers;

(iv) The Equity Interest(s) and the assets under each Target Company are free from any encumbrances or defects, such as pledge, entrusted holding, judicial seizure, freezing, etc.;

(v) Each Target Company does not have any undisclosed administrative penalties, lawsuits, arbitrations or other major adverse circumstances;

(vi) Any representations and warranties made by the Transferor(s) and each Target Company shall remain completely true, complete and accurate without major adverse changes, and the commitments stipulated in the respective Equity Transfer Agreement shall be fulfilled on or before the Completion Date without any violation;

(vii) The Transferor(s) and each Target Company have delivered all the materials required by the Transferee;

(viii) It does not have and there is no reasonably foreseeable material adverse impact on the assets, financial structure, liabilities, technology, profit prospects and normal operations of each Target Company;

(ix) The Transferee has already fully received the capital investment from its shareholders corresponding to their capital contribution obligations as committed under the signed agreements between its shareholders;

(x) No government agency, court or arbitration institution has promulgated any laws or made any (potential) decisions or prohibitions or posed any objections to (i) the Equity Transfers; (ii) the operation of each Target Company and its assets after the completion; (iii) each Target Company's business, assets, liabilities, financial status, operating results, prospects, which may have material adverse impact;

(xi) Each Target Company has provided the documentation of its original capital contribution certificate and the original shareholder list (with company seal) to the Transferee, reflecting the legal ownership of the Transferor(s) in the Equity Interest(s) was registered under the name of the relevant Target Company; and

(xii) The Transferor(s) has/have completed all necessary filing procedures for receiving the remittance of funds from the Transferee in accordance with relevant regulations and have promised to assume relevant responsibilities.

Payment Terms

Upon the aforementioned conditions precedent of the respective Equity Transfer Agreements have been fully satisfied or waived (if applicable), the Transferee shall, within 120 business days, settle the consideration in cash by bank remittance into the designated account of the Transferor(s) or such other methods as agreed between the Transferor(s) and the Transferee.

Completion

The first working day immediately after the Transferee has fully settled the consideration is deemed to be the completion date of the respective Equity Transfer(s) pursuant to the Equity Transfer Agreements (the "**Completion Date**").

Within 10 working days after the Completion Date, all parties shall cooperate with the respective Target Companies to complete the change of industrial and commercial registration to effect the change in shareholding in relation to the Equity Transfers.

USE OF PROCEEDS AND FINANCIAL IMPACT

All proceeds from the Equity Transfers will be used to repay the existing bank borrowings, as working capital and/or capital investment of the Group.

As at the date of this announcement, the Group holds an effective equity interest of 36% of the SPV. While the Group holds the decision-making and management control over the SPV, its financial statements are being consolidated to the accounts of the Group. Upon completion of the Equity Transfers, the Group will also maintain the control and decision-making power of the Target Companies through its control over the SPV, their financial statements will therefore continue to be consolidated with the financial statements of the Group. The Group will not record any gain or loss on the Equity Transfers, and hence the Equity Transfers will not have any adverse financial impact to the Group.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFERS

The transfer of the Equity Interests in the Target Companies to the SPV under the Partnership Fund is intended to bring in new strategic partners to jointly develop and further expand the Group's clean energy projects. Their investment in the Target Companies will enable the Group to obtain additional financing while maintaining control over the Target Companies and thereby facilitate the balance between the needs for development and funding of the Group. The additional external funding in turn will effectively improve the Group's cash flow and the asset-liability ratio.

The Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the terms of the Equity Transfer Agreements are fair and reasonable, on normal commercial terms, and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the Equity Transfer Agreements or is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF THE TARGET COMPANIES

Set out below are the principal business and installed capacity in operation of the Target Companies as at the date of this announcement:

	Target Company	**Principal Business**	**Installed capacity in operation (MW)**
1	Jiuquan Third Wind Power	Construction of wind farm, wind power generation, sales of electricity and carbon trading credits	859
2	Daqing Meiyangda	Solar power generation and power supply	40
3	Huainan New Energy	New energy power and heat generation and supply, their development, construction, operation, production and management	130
4	Heze New Energy	Power generation, transmission and distribution; and wind power technological services	49.9
5	Dezhou Tianrui	Wind and solar power generation and electricity sales	50
		Total	**1,128.9**

Set out below are the combined profit before/after taxation, total assets and net assets of the Target Companies for the relevant periods indicated:

	For the year ended 31 December 2021 *RMB'000*	**For the year ended 31 December 2022** *RMB'000*	**For the period ended 31 August 2023** *RMB'000*
	Audited	***Audited***	***Unaudited***
Combined profit before taxation	342,805	410,804	345,747
Combined profit after taxation	301,203	354,932	292,894

	As at 31 December 2021 *RMB'000*	As at 31 December 2022 *RMB'000*	As at 31 August 2023 *RMB'000*
	Audited	***Audited***	***Unaudited***
Combined total assets	6,950,618	7,238,630	7,235,261
Combined net assets	3,766,523	3,761,890	4,036,285

INFORMATION OF THE TRANSFERORS

The Transferors of Jiuquan Third Wind Power

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.

CPINE is a company incorporated in the PRC with limited liability in December 2006 and is an indirect non wholly-owned subsidiary ultimately controlled by SPIC. CPINE and its subsidiaries are principally engaged in the investment in clean energy power generation and waste-to-energy power generation projects in China.

The Company and CPINE directly owns 73.3049% and 26.6951% of the equity interest of Jiuquan Third Wind Power respectively.

The Transferor of Daqing Meiyangda

China Power Shenyang Energy Investment Limited (中電(瀋陽)能源投資有限公司) is a company incorporated in the PRC with limited liability in November 2017 and is a wholly-owned subsidiary of the Company. It directly owns 100% equity interest of Daqing Meiyangda. It is principally engaged in investment holding, provision of procurement, sales, research and development and other technical supports to its subsidiaries.

The Transferor of Huainan New Energy

SPIC Anhui Power Co., Ltd.* (國家電投集團安徽電力有限公司) is a company incorporated in the PRC with limited liability in May 2016 and is a wholly-owned subsidiary of the Company. It directly owns 100% equity interest of Huainan New Energy. It is principally engaged in power generation, power transmission, and power supply (distribution) business.

The Transferor of Heze New Energy and Dezhou Tianrui

SPIC Shandong Energy Development Co., Ltd.* (國家電投集團山東能源發展有限公司) is a company incorporated in the PRC with limited liability in June 2016 and is a wholly-owned subsidiary of the Company. It directly owns 100% equity interest of Heze New Energy and Dezhou Tianrui. It is principally engaged in investment, power development, construction, operation and management of energy projects.

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.

INFORMATION OF THE TRANSFEREE

SPIC Qingneng (Beijing) New Energy Development Co., Ltd.* (電投清能（北京）新能源發展有限責任公司) is a special purpose vehicle (the "**SPV**") established under the Partnership Fund for the purpose of investing in the Target Companies. Its equity interest is indirectly owned as to 20% by the Company and as to 80% by the Partnership Fund. Aggregating the Group's interests in both the SPV and the Partnership Fund, it holds an effective equity interest of 36% of the SPV in total.

The Partnership Fund is a limited partnership originally established in December 2021. The Partnership Fund is owned as to 20% by the Group and as to 80% by third parties independent of the Company and its connected persons. Of the 80% interest of the Partnership Fund, 45.98% is owned by Minsheng Tonghui Asset Management Co., Ltd.* ("**MT Asset Management**", 民生通惠資產管理有限公司), 34% is owned by China Orient Asset Management Management Co., Ltd. ("**Orient Asset Management**", 中國東方資產管理股份有限公司), and 0.02% is owned by Xinbao Beta Private Equity Fund Management (Hainan) Co., Ltd.* ("**Xinbao Beta**", 新保貝塔私募基金管理(海南)有限公司).

MT Asset Management is a limited liability company established by the approval of the China Banking and Insurance Regulatory Commission (was replaced by the National Financial Regulatory Administration in May 2023). It is principally engaged in fixed income investment, equity investment, real estate investment, infrastructure debt project investment, asset-backed project investment, etc. It is an insurance asset management company which is ultimately owned and controlled by Minsheng Life Insurance Co., Ltd.* (民生人壽保險股份有限公司).

Orient Asset Management is a company limited by shares. It is a State-owned enterprise which is owned as to 98% by the Ministry of Finance and 2% by the National Council for Social Security Fund established by the approval of the State Council of the PRC. It is principally engaged in asset management, insurance, banking, financial advisory, and trust businesses.

Xinbao Beta is a limited liability company incorporated in the PRC. It is mainly engaged in private equity investment fund management and venture capital fund management services, and is wholly-owned and ultimately controlled by Xinbao Investment Management Co., Ltd.* (新保投資管理有限公司).

LISTING RULES IMPLICATIONS

Equity Transfer Agreements

As certain applicable percentage ratios in respect of the Equity Transfer Agreements are more than 5% but less than 25%, the entering into the Equity Transfer Agreements and the transactions contemplated thereunder constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Jiuquan Agreement

As at the date of this announcement, SPIC indirectly owns approximately 62.43% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. CPINE, as an indirect subsidiary ultimately owned and controlled by SPIC, is an associate of SPIC and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CPINE's Equity Transfer of Jiuquan Third Wind Power as one of the Transferors to the Transferee also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios in respect of the Equity Transfer from CPINE to the SPV under the Jiuquan Agreement exceed 0.1% but are less than 5%, it is subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company will make further announcement should there be any material change in the final adjusted aggregate consideration for the Equity Transfers that warrants disclosure obligation.

EXPERTS AND CONSENTS

The qualification of the experts who have provided their opinions and advice, which are included in this announcement, are as follows:

Name	**Qualification**
(1) China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司) (2) Shanghai Lixin Appraisal Co., Ltd. (上海立信資產評估有限公司) (3) Yinxin Appraisal Co., Ltd. (銀信資產評估有限公司) (4) China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司)	Qualified asset valuers in the PRC

Name	Qualification
Ernst & Young	Certified Public Accountants
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities as defined under the SFO

As at the date of this announcement, all of the experts set out above:

(i) did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group; and

(ii) did not have any direct or indirect interests in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

All of the experts set out above had given and had not withdrawn their written consents to the issue of this announcement with the inclusions of their reports, opinions or statements (as the case may be) as set out in this announcement and references to their name in the form and context in which they are included.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, all the above experts are third parties independent of the Group and its connected persons.

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
"Completion Date"	the first working day immediately after the Transferee has fully settled the consideration for the Equity Transfer(s) pursuant to the respective Equity Transfer Agreements

"CPINE" or "Transferor" as to the Jiuquan Agreement	China Power International New Energy Holding Ltd. (中電國際新能源控股有限公司), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of SPIC, thus an associate of SPIC
"Daqing Meiyangda"	Daqing Meiyangda New Energy Technology Development Company Limited (大慶美陽達新能源科技開發有限公司), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and one of the Target Companies
"Dezhou Tianrui"	德州天瑞風力發電有限公司 (Dezhou Tianrui Wind Power Generating Co., Ltd.*), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and one of the Target Companies
"Director(s)"	director(s) of the Company
"Equity Interest(s)	100% or 49% equity interests in the Target Companies, as the case may be (please refer to the section headed ***"The Equity Transfers and Consideration"*** in this announcement for details)
"Equity Transfer(s)"	the transfer of the Equity Interest(s) in the Target Companies from the Transferor(s) to the Transferee pursuant to each Equity Transfer Agreement
"Equity Transfer Agreement(s)"	the five equity transfer agreements dated 29 September 2023 entered among the Transferor(s), the Transferee, and the relevant Target Companies in relation to the transfer of the relevant Equity Interest(s)
"Financial Adviser"	Huatai Financial Holdings (Hong Kong) Limited
"Group"	the Company and its subsidiaries from time to time
"Heze New Energy"	菏澤國電投新能源有限公司 (Heze SPIC New Energy Co., Ltd.*), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and one of the Target Companies
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Huainan New Energy"	淮南市國家電投新能源有限公司 (Huainan SPIC New Energy Co., Ltd.*), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and one of the Target Companies

"Jiuquan Agreement"	one of the five Equity Transfer Agreements dated 29 September 2023 entered among the Company and CPINE (the Transferors), the SPV (the Transferee) and Jiuquan Third Wind Power (the Target Company) in relation to the transfer of Jiuquan Third Wind Power's equity interest of 73.3049% from the Company and 26.6951% from CPINE to the SPV
"Jiuquan Third Wind Power"	Gansu China Power Jiuquan Third Wind Power Company Limited (甘肅中電酒泉第三風力發電有限公司), a company incorporated in the PRC with limited liability, a non wholly-owned subsidiary of the Company and the Target Company under the Jiuquan Agreement, which is owned as to 73.3049% by the Company and 26.6951% by CPINE
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Partnership Fund"	中電清潔產業創業投資基金(天津)合夥企業（有限合夥）(CP Clean Industry Venture Capital Fund (Tianjin) Partnership (Limited Partnership)*), a limited partnership originally established in the PRC in December 2021, which directly holds 80% equity interest of the SPV
"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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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)
"SPV" or "Transferee"	電投清能(北京)新能源發展有限責任公司 (SPIC Qingneng (Beijing) New Energy Development Co., Ltd.*), a company incorporated in the PRC with limited liability, a non wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
Target Company(ies) "	(1) Jiuquan Third Wind Power, (2) Daqing Meiyangda, (3) Huainan New Energy, (4) Heze New Energy and (5) Dezhou Tianrui, individually a "Target Company" and collectively the "Target Companies"

"Transferee"	the SPV, please refer to the section headed **"INFORMATION OF THE TRANSFEREE"** in this announcement for details
"Transferor(s)"	please refer to the section headed **"INFORMATION OF THE TRANSFERORS"** in this announcement for details
"Transitional Period"	the period from the Valuation Date to the Completion Date
"Valuation Date"	the valuation reference date of each Valuation Report for each Target Company, being the reference date on which the value of each Target Company was evaluated, i.e. 31 October 2022 for Jiuquan Third Wind Power, 15 November 2022 for Daqing Meiyangda, and 30 September 2022 for Huainan New Energy, Heze New Energy and Dezhou Tianrui
"Valuation Report(s)"	the asset appraisal reports with regard to the value of each Target Company on the respective Valuation Date
"Valuer(s)"	China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司), Shanghai Lixin Appraisal Co., Ltd. (上海立信資產評估有限公司), Yinxin Appraisal Co., Ltd. (銀信資產評估有限公司), and China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司), each a "Valuer' and collectively the "Valuers"

* *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, 3 October 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.

APPENDIX I – KEY ASSUMPTIONS OF THE VALUATION REPORTS

For the purpose of complying with Rule 14.62 of the Listing Rules, set out below are the principal assumptions of the income approach adopted to evaluate the Target Companies:

(I) General Assumptions

(i) The Valuer shall perform simulation on the basis that the valuation targets are transacted on the market with similar transaction terms and conditions to evaluate their value.

(ii) It is assumed that parties to similar transactions for similar assets on the market have similar bargaining power, they have sufficient time and opportunity to obtain market information, such transactions are voluntary and rational, and both parties to such transactions are able to exercise rational judgement on the functions, usage and consideration, etc. of the underlying assets.

(iii) It is assumed that subsequent to the Valuation Date, there will be no unforeseen material changes to external economic factors such as relevant law and regulations, and macro-economy, financial and industry polices, and there are no force majeure factors or unpredictable factors causing significant adverse effect.

(iv) It is assumed that there will be no significant changes to the financial structure and capital structure of the valuation targets. The valuation has not taken into consideration that assets of the valuation targets may be used as collateral subject to charges or guarantees, and any special transaction(s) which may result in an increase in the transaction price which may affect the valuation conclusion.

(v) It is assumed that there will be no significant changes to the social-economical environment and the application of fiscal-taxation policies in relation to tax payable and taxation rate, and financial policies in relation to credit, interest rates and foreign exchange rate remain stable.

(vi) It is assumed that the valuation targets can achieve its current financial performance based on the scale of its current power generating assets as at the Valuation Date with any income derived by investment from new shareholders disregarded. There shall be no major changes that affect their business development and revenue generation.

(vii) It is assumed that the management of the valuation targets is currently, and will continue to, abide with relevant laws and regulations, and exercise its management function responsibly. There shall be no circumstance which may lead to any significant impact on the operations of the valuation targets or shareholders' interests, and the valuation targets shall maintain its current management style and management level.

(viii) It is assumed that the accounting policies adopted by the valuation targets remain consistent subsequent to the Valuation Date.

(ix) The valuation is concluded based on the information provided by the valuation targets. It is assumed that the above information is objective, reasonable, true, legal and complete, and the valuation targets have property rights over the assets under valuation.

(x) Unless otherwise specified, it is assumed that the valuation targets are in compliance with all applicable laws and regulations.

(II) Special Assumptions

(i) It is assumed that cash inflows and cash outflows are normal cash inflows and cash outflows, respectively, subsequent to the Valuation Date.

(ii) The valuation is performed on the basis of a reasonable estimation of the future operating environment of the valuation targets without taking into consideration unpredictable material change or fluctuation to the operating environment, such as natural disasters, climate change or human error, etc.

(iii) It is assumed that the wind or photovoltaic power projects under the valuation targets will be listed as qualified projects and entitled to obtain state subsidy income.

(iv) The Valuer has been mindful of, and reviewed the status of land use rights of the valuation targets, and such land are either leased or can be used continuously free of charge during the operational period without any defect in title. It is assumed that the production and operation of the valuation targets will not be affected by the absence of applicable certificates, be it in the process of application or lack thereof.

(v) It is assumed that the valuation targets will continue to enjoy its current preferential income tax policy, and that the normal tax policy will apply after expiry of the preferential tax policy.

(vi) It is assumed that the amortization of ancillary services fees shall be phased out on schedule after the Valuation Date, as applicable.

(vii) It is assumed that the on-grid electricity price and structure will continue to be implemented in accordance with relevant policies applicable as at the Valuation Date, as applicable.

(viii) Except to the extent known by the Valuer, it is assumed that the there are no major technical failures to the assets of the valuation targets which may affect their continuous use, and there are no harmful substances that will adversely affect their value and no hazards and/or other adverse environmental conditions that would adversely affect the value of such assets.

APPENDIX II – REPORT FROM ERNST & YOUNG

The following is the full text of the report from Ernst & Young, for the purpose of, among other things, incorporation into this announcement.

3 October 2023

The Board of Directors
China Power International Development Limited
Suite 6301, 63/F., Central Plaza
18 Harbour Road, Wanchai, Hong Kong

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF THE TARGET COMPANIES

Dear Sirs,

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") on which the valuation dated 30 Sept 2022, 31 Oct 2022 and 15 Nov 2022 prepared by the qualified asset valuers in respect of certain subsidiaries of the Company (the "**Target Companies**") set out in the "List of Target Companies" below as at the valuation dates is based. The valuation is set out in the announcement of China Power International Development Limited (the "**Company**") dated 3 October 2023 (the "**Announcement**") in connection with the proposed transfer of equity interest in subsidiaries. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibilities

The directors of the Company (the "**Directors**") are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the "**Assumptions**"), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The key Assumptions are set out in Appendix I (Key Assumptions of the Valuation Reports) to the Announcement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target Companies. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Certified Public Accountants
Hong Kong

List of Target Companies

1. Gansu China Power Jiuquan Third Wind Power Company Limited
2. Daqing Meiyangda New Energy Technology Development Company Limited
3. Huainan SPIC New Energy Co., Ltd.
4. Heze SPIC New Energy Co., Ltd.
5. Dezhou Tianrui Wind Power Generating Co., Ltd.

APPENDIX III – LETTER FROM THE FINANCIAL ADVISER

The following is the full text of the letter from the Financial Adviser, for the purpose of, among other things, incorporation into this announcement.

The Board of Directors
China Power International Development Limited
Suite 6301, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong

3 October 2023

We refer to the valuation (the "**Valuations**") prepared by namely, Shanghai Lixin Appraisal Co., Ltd. (上海立信資產評估有限公司), China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司), China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司), Yinxin Appraisal Co., Ltd. (銀信資產評估有限公司) (collectively the "**Independent Valuers**") in respect of the appraisal of the value of the five project companies, namely Gansu China Power Jiuquan Third Wind Power Company Limited (甘肅中電酒泉第三風力發電有限公司), Daqing Meiyangda New Energy Technology Development Company Limited (大慶美陽達新能源科技開發有限公司), Huainan SPIC New Energy Co., Ltd. (淮南市國家電投新能源有限公司), Heze SPIC New Energy Co., Ltd. (菏澤國電投新能源有限公司) and Dezhou Tianrui Wind Power Generating Co., Ltd. (德州天瑞風力發電有限公司) (collectively, the "**Target Companies**") as at 31 October 2022, 15 November 2022, 30 September 2022, 30 September 2022 and 30 September 2022, respectively. We noted that the Valuations have been evaluated based on the income approach which constitutes profit forecasts (the "**Forecasts**") pursuant to Rules 14.61 and 14.62 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and this letter is issued in compliance with the requirement under Rule 14.62(3) of the Listing Rules.

The principal assumptions upon which the Valuations is based are included in Appendix I to the announcement of the Company dated 3 October 2023 (the "**Announcement**"), of which this letter forms part.

We have reviewed the underlying Forecasts of the Valuations, for the Company is solely responsible, and had discussions involving the management of the Company and the Independent Valuers in respect of the bases and assumptions upon which the Forecasts have been made.

We have also considered the report addressed solely to and for the sole benefit of the directors of the Company from Ernst & Young (the "**Auditor**") dated 3 October 2023 regarding the calculations upon which the Forecasts have been made as set out in Appendix II to the Announcement regarding the Valuations.

The Forecasts have been prepared using a set of assumptions that include hypothetical assumptions about future events and other assumptions that may or may not necessarily be expected to occur and, as such, the Forecasts may not be appropriate for purposes other than for deriving the Valuations. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to differ from the Forecasts since such anticipated events frequently may or may not occur as expected and the variation may be material.

We have not independently verified the computations leading to the Independent Valuers' determination of the value of the Target Companies. We have had no role or involvement and have not provided and will not provide any assessment of the value of the Target Companies and, accordingly, we take no responsibility and express no views therefor. The assessment, review and discussions carried out by us as described in this letter are based on financial, economic, market and other conditions in effect, and the information made available to us, as of the date of this letter and we have, in arriving at our views, relied on information and materials supplied to us by the Company, the Independent Valuers and the Auditor and opinions expressed by, and representations of, the employees and/or management of the Company, the Independent Valuers and the Auditor. We have assumed, without independent verification, that all information, materials and representations so supplied, including all information, materials and representations referred to or contained in the Announcement, for which the Company is wholly responsible, were true, accurate, complete and not misleading at the time they were supplied or made and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations referred to or contained in the Announcement, and we have not assumed any responsibility or liability therefor. Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our assessment and review.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions selected by the Independent Valuers, for which the Independent Valuers and the Company are responsible, we are satisfied that the Forecasts, for which the Company is solely responsible, have been made by you after due and careful enquiry.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you (and as Appendix III to the Announcement) under Rule 14.62(3) of the Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,

For and on behalf of

Huatai Financial Holdings (Hong Kong) Limited

Gene Liu

Executive Director

Head of M&A Division

Match Yim

Vice President