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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

Property Transfer Agreement

On 21 May 2024, Shentou Power II, a wholly-owned subsidiary of the Company, entered into a Property Transfer Agreement with Shentou Industry Company, pursuant to which Shentou Power II agreed to purchase the Property from Shentou Industry Company for a consideration of approximately RMB52,156,900 (equivalent to approximately HK\$57,315,300).

As at the date of this announcement, SPIC owns approximately 64.01% 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.

Shentou Industry Company is an indirect wholly-owned subsidiary of SPIC. Accordingly, Shentou Industry Company is a connected person of the Company and entering into the Property Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

As certain applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 5%, the transaction contemplated under the Property Transfer 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 Shentou Power II, a wholly-owned subsidiary of the Company, entered into a Property Transfer Agreement with Shentou Industry Company on 21 May 2024 in relation to acquisition of the Property located at Shuozhou City, Shanxi Province, the PRC.

PROPERTY TRANSFER AGREEMENT

Date

21 May 2024

Parties

- (i) Shentou Power II, as the Transferee; and
- (ii) Shentou Industry Company, as the Transferor.

The Property

Location: Buildings Nos. 46 and 47, Shendian Ecological Park, Shuocheng District, Shuozhou City, Shanxi Province, the PRC

Building type: Residential

Gross floor area per building: Each building comprises 6 floors with gross floor area of approximately 13,346.16 sq.m. and an underground space with gross floor area of approximately 1,987.84 sq.m.

Cost of the Property: Approximately RMB47,125,700

Consideration and payment terms

The consideration of the Property is approximately RMB52,156,900 inclusive of 9% value-added tax (equivalent to approximately HK\$57,315,300). The consideration was determined after arm's length negotiations between the parties having taken into account of the prevailing market conditions and the appraised market value of the Property of approximately RMB47,850,400 (tax exclusive) based on the valuation report prepared by an independent property valuer, China Enterprise Appraisals Consultation Co., Ltd. (北京中企華資產評估有限公司), using the market approach as at 29 February 2024.

Shentou Power II will pay Shentou Industry Company RMB14,000,000 (equivalent to approximately HK\$15,384,600) within 15 days after signing of the Property Transfer Agreement and will pay the remaining consideration within 15 days after the completion of all the necessary procedures to transfer the title of the Property.

The Acquisition will be financed by the Group's internal resources.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

The Property will be served as staff quarters for relocating those staff of Shentou Power II that are currently accommodated in the leased property located in the suburban area. As the Property is located around the city center of Shuocheng District with better public facilities and in close proximity to the power plant of Shentou Power II, the Company believes the Acquisition will enable Shentou Power II to retain quality staff and also achieve cost savings on leasing property for staff accommodation in the long run.

The Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the Acquisition has been conducted 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 Property Transfer Agreement or is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF THE COMPANY AND 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 THE TRANSFEREE

Shentou Power II is a wholly-owned subsidiary of the Company incorporated in the PRC in January 2015 and is principally engaged in the generation, transmission, supply and distribution of electricity business. It owns a coal-fired power plant with two power generating units and a total installed capacity of 2,000MW.

INFORMATION OF THE TRANSFEROR

Shentou Industry Company is a company incorporated in the PRC in October 2005 and is principally engaged in provision of various supporting services to power plant operations. It is directly and wholly-owned by Boya Development Limited and is indirectly held and ultimately controlled by SPIC.

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 64.01% 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.

Shentou Industry Company is an indirect wholly-owned subsidiary of SPIC. Accordingly, Shentou Industry Company is a connected person of the Company and entering into the Property Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

As certain applicable percentage ratios in respect of the Acquisition exceed 0.1% but are less than 5%, the transaction contemplated under the Property Transfer 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:

“Acquisition”	the acquisition of the Property from Shentou Industry Company by Shentou Power II pursuant to the Property Transfer Agreement
“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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China

“Property”	two residential buildings Nos. 46 and 47, located at Shendian Ecological Park, Shuocheng District, Shuozhou City, Shanxi Province, the PRC
“Property Transfer Agreement”	the property transfer agreement dated 21 May 2024 entered into between Shentou Power II and Shentou Industry Company in relation to the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Shentou Industry Company” or “Transferor”	Shanxi Shentou Electric Power Industry Company Limited (山西神頭電力實業有限責任公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of SPIC
“Shentou Power II” or “Transferee”	Shanxi CPI Shentou No. 2 Power Generation Co., Ltd (山西中電神頭第二發電有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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)
“sq.m.”	square meter(s)
“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 RMB0.91 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, 21 May 2024

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.