

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TRANSACTIONS

Contracting Agreements in relation to an Offshore Wind Power Generation Project

On 12 September 2024, Haiwei Wind Power, an indirect wholly-owned subsidiary of the Company, entered into the EPC Contracting Agreement with Shandong Institute. Pursuant to which, Shandong Institute will provide survey design, auxiliary equipment procurement, construction and installation, and other technical support services in relation to the Project at a consideration of RMB1,142,870,000 (equivalent to approximately HK\$1,255,901,000).

On 2 August 2024, Haiwei Wind Power entered into the Pre-Development and Technical Consultancy Agreement with Shandong Institute, in relation to preparation of project feasibility and engineering surveying reports, coordination with government authorities and submission of necessary documentation to secure relevant regulatory approvals for the Project at a consideration of RMB29,940,000 (equivalent to approximately HK\$32,901,000).

As at the date of this announcement, SPIC owns approximately 64.49% 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 non wholly-owned subsidiary of SPIC. Accordingly, Shandong Institute is a connected person of the Company and entering into the Contracting Agreements constitute connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. While the transaction under the Pre-Development and Technical Consultancy Agreement on a stand-alone basis may be fully exempt by virtue of falling within the *de minimis* thresholds under Rule 14A.76 of the Listing Rules, the Contracting Agreements were entered into with the same counterparty, Shandong Institute, related to the same Project within a 12-month, the transactions contemplated thereunder therefore shall be aggregated.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the aggregate consideration of RMB1,172,810,000 (equivalent to approximately HK\$1,288,802,000) payable for the Contracting Agreements exceed 0.1% but are less than 5%, they are therefore subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that Haiwei Wind Power, an indirect wholly-owned subsidiary of the Company, entered into the Contracting Agreements with Shandong Institute in relation to the development of an offshore wind power generation project with a planned installed capacity of 450MW in Weihai, Shandong Province, the PRC.

EPC CONTRACTING AGREEMENT

Date

12 September 2024

Parties

- (i) Haiwei 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 to provide a comprehensive range of services for the Project, which includes survey design (preliminary design, construction drawing design, completion drawing production, etc.), auxiliary equipment and material procurement (excluding wind turbines, submarine cables, and other major components), construction installation and engineering implementation, commissioning, completion certification (trial runs, error elimination, performance assessment assurance acceptance, etc.), training, performance quality assurance and follow-up services throughout the entire warranty period of the Project.

Consideration

The total consideration under the EPC Contracting Agreement payable by the Employer is RMB1,142,870,000 (inclusive of all taxes) and is categorized as follows:

Fees	Amount (RMB) (Inclusive of all taxes)
Survey design fees	24,310,000
Auxiliary equipment procurement fees	26,171,000
Wind turbine pile foundation fees	573,855,000
Construction and installation fees	451,933,000
Other fees [#]	66,601,000
Total	1,142,870,000

Other fees include project inspection and acceptance fees, consulting service fee, tendering agency fee and a provisional sum of RMB25,000,000 for construction costs that will be determined based on the actual amount of work completed.

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 balance of the consideration shall be payable by installments in accordance with the construction progress of the Project. Of which, the remaining (i) 5% of the survey design fees and (ii) 3% of the construction and installation fees shall be retained as warranty for quality assurance and payable after the issuance of the final completion acceptance certificate of the Project; while (iii) 5% of the auxiliary equipment procurement fees and (iv) 5% of the wind turbine pile foundation fees shall be retained as warranty for quality assurance and payable within 24 months after issuing the certificate of defects liability period termination of the Project or completion of the trial operation for overall 250 hours of the Project, whichever is earlier, subject to any applicable deductions.

PRE-DEVELOPMENT AND TECHNICAL CONSULTANCY AGREEMENT

Date

2 August 2024

Parties

- (i) Haiwei 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 comprehensive pre-development and technical consultancy services for the Project, which includes preparation of project feasibility and engineering surveying reports, coordination with government authorities and submission of necessary documentation to secure relevant regulatory approvals for the Project.

Consideration

The total consideration under the Pre-Development and Technical Consultancy Agreement payable by the Employer is RMB29,940,000 (inclusive of all taxes) and is categorized as follows:

Fees	Amount (RMB) (Inclusive of all taxes)
Pre-approval technical consultancy fees	27,665,000
Preparation stage technical consultancy fees	2,175,000
Technical consultancy fees for obtaining construction permit	100,000
Total	29,940,000

Payment terms

The Employer shall make a prepayment to the Contractor equal to 10% of the total consideration in accordance with the terms of the Pre-Development and Technical Consultancy Agreement. The remaining balance shall be made by stage payments upon the receipt of necessary approvals, including marine usage rights permit and construction permit.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

Shandong Province is an economically developed coastal region in eastern China with high electricity consumption and its development in the recent years provides great potential demand for green energy. The Project is situated on the Shandong Peninsula, which possesses abundant offshore wind resources, making it ideally suited for the development of a large-scale offshore wind power base. Upon completion of the Project, the generated electricity is expected to seamlessly connect to the local power grid and readily be consumed, thereby bringing additional stable stream of returns to the Group. Moreover, the Project will enable the Group to further advancing its expansion in the offshore wind energy sector in the region.

The Project has been recognized by the Shandong provincial government as one of the major provincial projects for 2024. It is anticipated that the Project will help transform the local advantages of natural resources into economic benefits and contribute to the realization of the national “dual carbon goals”.

The Group awarded the Contracting Agreements to Shandong Institute following a stringent competitive open market tendering process, through the procurement and bidding platform and networks in the PRC, including 中國招標投標公共服務平台 (China Public Service Platform for Tendering and Bidding*), 中國電力設備信息網 (China Electric Power Equipment Information Network*) and 國家電投電子商務平台 (SPIC E-commerce Platform*). The considerations of the Contracting Agreements conform with prevailing rates or on better terms than those charged by other companies for comparable projects in the market. The Directors are of the view that the considerations of the Contracting Agreements and their 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 Contracting Agreements have been conducted 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 Contracting Agreements 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 EMPLOYER

Haiwei Wind Power is established in December 2022 and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the generation, transmission, supply and distribution of electricity business, as well as the provision of technology research and development in relation to offshore wind power and consulting services.

INFORMATION OF THE CONTRACTOR

Shandong Institute is an indirect non wholly-owned subsidiary ultimately 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 • Chinese Design Firms for five times, and has been among American ENR top 250 International Contractors in World for two consecutive years.

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 64.49% 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 non wholly-owned subsidiary of SPIC. Accordingly, Shandong Institute is a connected person of the Company and entering into the Contracting Agreements constitute connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. While the transaction under the Pre-Development and Technical Consultancy Agreement on a stand-alone basis may be fully exempt by virtue of falling within the *de minimis* thresholds under Rule 14A.76 of the Listing Rules, the Contracting Agreements were entered into with the same counterparty, Shandong Institute, related to the same Project within a 12-month, the transactions contemplated thereunder therefore shall be aggregated.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the aggregate consideration of RMB1,172,810,000 (equivalent to approximately HK\$1,288,802,000) payable for the Contracting Agreements exceed 0.1% but are less than 5%, they are therefore subject to the announcement and reporting requirements but are 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
“Contracting Agreements”	the EPC Contracting Agreement and the Pre-Development and Technical Consultancy Agreement
“Director(s)”	director(s) of the Company
“EPC Contracting Agreement”	the agreement dated 12 September 2024 entered into between Haiwei Wind Power and Shandong Institute in relation to the provision of survey design, auxiliary equipment procurement, construction and installation, and other technical support services for the Project
“Group”	the Company and its subsidiaries from time to time
“Haiwei Wind Power” or “Employer”	海衛（乳山）海上風電有限公司 (Haiwei (Rushan) Offshore Wind Power Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“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
“Pre-Development and Technical Consultancy Agreement”	the agreement dated 2 August 2024 entered into between Haiwei Wind Power and Shandong Institute in relation to the provision of pre-development and technical consultancy services for the Project

“Project”	a project undertaken by Haiwei Wind Power involving the development and construction of an offshore wind power plant with a planned installed capacity of 450MW in Shandong Province, the PRC
“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 non wholly-owned 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 RMB0.91 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, 12 September 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.