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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 TRANSACTIONS

EPC Contracting Agreements in relation to Wastewater Treatment Facilities Upgrade

On 19 December 2024, Pingwei II and Pingwei III, both are 60% owned subsidiaries of the Company, entered into EPC Contracting Agreement I and EPC Contracting Agreement II with Yuanda Waterworks, respectively. Pursuant to the EPC Contracting Agreements, Yuanda Waterworks will provide services in relation to the Wastewater Treatment Facilities Upgrade for Pingwei II and Pingwei III at an aggregate consideration of RMB79,802,500 (equivalent to approximately HK\$85,809,000).

As at the date of this announcement, SPIC owns approximately 64.68% 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. Yuanda Waterworks is a wholly-owned subsidiary of Yuanda Environmental. As of the date of this announcement, Yuanda Environmental is an associate of SPIC. Accordingly, Yuanda Waterworks is a connected person of the Company and entering into the EPC Contracting Agreements constitute connected transactions of the Company under the Listing Rules.

As the EPC Contracting Agreements were both entered into with the same counterparty, Yuanda Waterworks, on the same date for the same facilities upgrading services, the transactions contemplated thereunder would be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the aggregate consideration of RMB79,802,500 payable for the EPC 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 Pingwei II and Pingwei III, both are 60% owned subsidiaries of the Company, entered into the EPC Contracting Agreements with Yuanda Waterworks to carry out Wastewater Treatment Facilities Upgrade.

EPC CONTRACTING AGREEMENT I

Date

19 December 2024

Parties

- (i) Pingwei II, as the Employer; and
- (ii) Yuanda Waterworks, as the Contractor.

Services to be provided by the Contractor

The Contractor has agreed to act as the main contractor to provide equipment procurement, transportation, installation and engineering implementation, commissioning, completion certification (including trial runs, error elimination, performance assurance acceptance assessment, etc.), other technical support services and follow-up services for the Wastewater Treatment Facilities Upgrade of Pingwei II.

Consideration

The total consideration under the EPC Contracting Agreement I payable by the Employer is RMB23,265,600 (inclusive of all taxes) and is categorized as follows:

Fees	Amount (RMB) (Inclusive of all taxes)
Equipment procurement fees	21,840,800
Installation fees	1,424,800
Total	23,265,600

Payment terms

Pursuant to the terms and conditions of EPC Contracting Agreement I, the Employer shall make an interest-free prepayment to the Contractor, equivalent to 10% of the total consideration. The balance of the consideration shall be payable by installments based on construction progress, among which, (i) 10% of the equipment procurement fees and (ii) 3% of the installation fees shall be retained as a warranty for quality assurance, and both shall be payable within one month after issuance of the defects liability period completion certificate, subject to any applicable deductions.

EPC CONTRACTING AGREEMENT II

Date

19 December 2024

Parties

- (i) Pingwei III, as the Employer; and
- (ii) Yuanda Waterworks, 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, which includes design (preliminary design, construction drawing design, completion drawing production, etc.), equipment procurement, transportation, construction installation and engineering implementation, commissioning, completion certification (including trial runs, error elimination, performance assurance acceptance assessment, etc.), training, other technical support services and follow-up services for the Wastewater Treatment Facilities Upgrade of Pingwei III.

Consideration

The total consideration under the EPC Contracting Agreement II payable by the Employer is RMB56,536,900 (inclusive of all taxes) and is categorized as follows:

Fees	Amount (RMB) (Inclusive of all taxes)
Project design fees	1,055,000
Equipment procurement fees	37,547,600
Construction and installation fees	17,884,300
Other fees [#]	50,000
Total	56,536,900

[#] *Other fees include but not limited to technical service fees, training fees and testing fees.*

Payment terms

Pursuant to the terms and conditions of EPC Contracting Agreement II, the Employer shall make an interest-free prepayment to the Contractor, equivalent to 10% of the total consideration. The balance of the consideration shall be payable by installments based on the construction progress, among which, (i) 10% of the equipment procurement fees, (ii) 3% of the construction and installation fees, and (iii) 10% of other fees shall be retained as a warranty for quality assurance, and all these retaining fees will be payable within one month after issuance of the defects liability period completion certificate, subject to any applicable deductions.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The Wastewater Treatment Facilities Upgrade reflects the Company's commitment to environment, social, and governance goals for aiming to reduce waste and conserve freshwater resources. Traditionally, coal-fired power plants consumed large quantities of water in the FGD process to remove air pollutants from coal combustion. With the Wastewater Treatment Facilities Upgrade, the water used in this FGD process can be recycled, which can completely eliminate wastewater discharge into the environment. This not only helps preserve valuable freshwater resources but also lowers operating costs and supports a greener transformation in coal-fired power generation.

The Group awarded the EPC Contracting Agreements to Yuanda Waterworks 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 consideration for each of the EPC Contracting Agreements conforms 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 consideration for each of the EPC 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 EPC Contracting Agreements have 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 EPC 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 EMPLOYERS

Pingwei II and Pingwei III are limited liability companies incorporated in the PRC, both primarily engaged in the generation and sales of coal-fired power. As of the date of this announcement, each of Pingwei II and Pingwei III is owned as to 60% by the Company and 40% by Huainan Mining.

INFORMATION OF THE CONTRACTOR

Yuanda Waterworks is a company incorporated under the laws of the PRC in November 2001 and a wholly-owned subsidiary of Yuanda Environmental. Yuanda Environmental is an associate of SPIC.

Yuanda Waterworks is principally engaged in the technical development, design and waterworks related contracting services for municipal sewage, municipal tap water, industrial wastewater, seawater desalination, and water treatment and its control systems within the power industry. Yuanda Waterworks holds a Grade A certification in environmental engineering (prevention and control of water pollution engineering). It also possesses a level 1 qualification certificate for professional contracting of environmental protection engineering, a level 2 qualification certificate for general contracting of municipal public works construction, and a level 3 qualification certificate for professional contracting of building mechanical and electrical installation engineering. Furthermore, Yuanda Waterworks has received numerous awards in the engineering field, including the prestigious National Quality Engineering Award, the highest national honor recognized by the State Council, in 2017.

Yuanda Environmental is an investment holding company principally engaged in businesses that cover energy conservation, environmental protection and pollution control in the PRC.

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 64.68% 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.

Yuanda Waterworks is a wholly-owned subsidiary of Yuanda Environmental. As of the date of this announcement, Yuanda Environmental is an associate of SPIC. Accordingly, Yuanda Waterworks is a connected person of the Company and entering into the EPC Contracting Agreements constitute connected transactions of the Company under the Listing Rules.

As the EPC Contracting Agreements were both entered into with the same counterparty, Yuanda Waterworks, on the same date for the same facilities upgrading services, the transactions contemplated thereunder therefore should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the aggregate consideration of RMB79,802,500 payable for the EPC 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
“Director(s)”	director(s) of the Company
“Employer(s)”	Pingwei II and Pingwei III, collectively the “Employers” and individually the “Employer”
“EPC Contracting Agreement I”	the agreement dated 19 December 2024 entered into between Pingwei II and Yuanda Waterworks in relation to the provision of equipment procurement, installation and other technical support services for the Wastewater Treatment Facilities Upgrade of Pingwei II
“EPC Contracting Agreement II”	the agreement dated 19 December 2024 entered into between Pingwei III and Yuanda Waterworks in relation to the provision of design, equipment procurement, construction and installation, and other technical support services for the Wastewater Treatment Facilities Upgrade of Pingwei III
“EPC Contracting Agreements”	the EPC Contracting Agreement I and the EPC Contracting Agreement II
“FGD”	Flue Gas Desulfurization is a process used to remove sulfur dioxide (SO ₂) from the exhaust flue gases of coal-fired plants. The process is critical for reducing air pollution and complying with environmental regulations
“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
“Huainan Mining”	淮南礦業（集團）有限責任公司 (Huainan Mining Industry (Group) Company Limited*), a company incorporated in the PRC with limited liability. It is principally engaged in various industries such as coal mining, power, logistics and finance and ultimately controlled by 淮河能源控股集團有限責任公司 (Huaihe Energy Holding Group Co., Ltd.*), a wholly State-owned enterprise

“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
“Pingwei II”	Huainan Pingwei No. 2 Electric Power Co., Ltd. (淮南平圩第二發電有限責任公司), a company incorporated in the PRC with limited liability which presently holds two supercritical coal-fired power generating units with total installed capacity of 1,280MW, located in Anhui Province of the PRC. As of the date of this announcement, it is owned as to 60% by the Company and 40% by Huainan Mining
“Pingwei III”	Huainan Pingwei No. 3 Electric Power Co., Ltd. (淮南平圩第三發電有限責任公司), a company incorporated in the PRC with limited liability which presently holds two ultra-supercritical coal-fired power generating units with total installed capacity of 2,000MW, located in Anhui Province of the PRC. As of the date of this announcement, it is owned as to 60% by the Company and 40% by Huainan Mining
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wastewater Treatment Facilities Upgrade”	the EPC services to be performed by Yuanda Waterworks pursuant to the EPC Contracting Agreement I and EPC Contracting Agreement II to revamp the existing wastewater treatment facilities of Pingwei II and Pingwei III to achieve zero wastewater discharge
“Yuanda Environmental”	SPIC Yuanda Environmental-Protection Co., Ltd. (國家電投集團遠達環保股份有限公司), a company incorporated in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange (A-shares stock code: 600292.SH) and an associate of SPIC. It is principally engaged in energy conservation, environmental protection and pollution control businesses in the PRC

“Yuanda Waterworks” or “Contractor” 國家電投集團遠達水務有限公司 (SPIC Yuanda Waterworks Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Yuanda Environmental

* *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 RMB0.93 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, 19 December 2024

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