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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

Acquisition of 31% equity interest in Tuoli Power

On 17 July 2025, the Company, CPI Holding, Pingmei Shenma Xinjiang, Xinjiang Energy and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Company agreed to acquire and Xinjiang Energy agreed to sell 31% equity interest in Tuoli Power at a consideration of RMB24,212,147 plus a post-completion capital contribution of RMB285,820,000, in aggregate of RMB310,032,147 (equivalent to approximately HK\$340,695,000).

As at the date of this announcement, SPIC owns approximately 65.40% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. CPI Holding is a wholly-owned subsidiary of SPIC and the immediate holding company of the Company. Xinjiang Energy is a non wholly-owned subsidiary of SPIC. SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Accordingly, CPI Holding and Xinjiang Energy are connected persons of the Company and entering into the Equity Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, it 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 the Company, as one of the Transferees, entered into the Equity Transfer Agreement on 17 July 2025 in relation to the acquisition of 31% equity interest in Tuoli Power, which holds the development right to the Tacheng Coal Plus Coal-fired Power Integrated Project in Tuoli County, Tacheng Prefecture, Xinjiang, the PRC.

THE EQUITY TRANSFER AGREEMENT

Date

17 July 2025

Parties

- (i) The Company, the Transferee;
- (ii) CPI Holding, the Transferee;
- (iii) Pingmei Shenma Xinjiang, the Transferee;
- (iv) Xinjiang Energy, the Transferor; and
- (v) Tuoli Power, the Target Company.

Assets to be acquired

Pursuant to the Equity Transfer Agreement, the Company, CPI Holding and Pingmei Shenma Xinjiang agreed to acquire, and Xinjiang Energy agreed to sell 31%, 10% and 49% equity interests respectively, in Tuoli Power.

Tuoli Power is a limited liability company incorporated in the PRC in June 2023 and a wholly-owned subsidiary of Xinjiang Energy. As at the date of this announcement, it has a registered capital of RMB1,000,000,000, of which a paid-up capital of RMB78,000,000. It is principally engaged in power generation, power transmission, power supply and distribution business, and provision of technical services for wind power generation and energy storage. Tuoli Power holds the development right to two ultra-supercritical coal-fired power generating units with a total installed capacity of 1,320MW located in Tuoli County, Tacheng Prefecture, Xinjiang, the PRC. Details of Tuoli Power's shareholding structure and financial information are set forth in the section below headed "INFORMATION OF THE TARGET COMPANY".

Consideration and payment terms

The aggregate consideration for acquisition of 31% equity interest in Tuoli Power is RMB310,032,147 (equivalent to approximately HK\$340,695,000) which is payable by the Company in the following manner.

- (i) A consideration of RMB24,212,147 payable in cash to Xinjiang Energy for transfer of its 31% equity interest of Tuoli Power to the Company. A 50% of the consideration shall be paid within 10 working days following the execution of the Equity Transfer Agreement, and the remaining 50% shall be paid within 10 working days upon Completion.

- (ii) A post-completion commitment to increase the registered capital of Tuoli Power to RMB1,000,000,000, which shall be fully paid up by its equity holders in proportion to their respective equity holdings. Accordingly, the Company shall contribute RMB285,820,000 for its 31% equity interest in Tuoli Power. Subject to the subsequent approval at the shareholders' meeting of Tuoli Power to determine the timing and amount of each injection, the Company expects the committed capital injection to Tuoli Power will be contributed by instalments according to the future development progress of the Project.

The aggregate consideration of the Acquisition will be financed by internal resources of the Group.

Completion

The Completion of the Equity Transfer Agreement shall be subject to the satisfaction (or waiver, where applicable) of the following conditions:

- (i) the change in registration of state-owned property rights of Tuoli Power has been completed;
- (ii) the change of industrial and commercial registration of Tuoli Power to reflect the change in its shareholding has been completed; and
- (iii) the changes in shareholding, register of members, directors, supervisors, and senior management in relation to the Acquisitions have been completed.

INFORMATION OF THE TARGET COMPANY

Set out below is the shareholding structure of Tuoli Power:

Shareholding <u>before</u> the Acquisitions	Paid-up capital	Unpaid capital	Registered capital	Equity Interest
<i>Equity holder</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Xinjiang Energy	78,000	922,000	1,000,000	100%

Shareholding <u>after</u> the Acquisitions	Paid-up capital	Unpaid capital	Registered capital	Equity Interest
<i>Equity holder</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Xinjiang Energy	7,800	92,200	100,000	10%
CPI Holding	7,800	92,200	100,000	10%
The Company	24,180	285,820	310,000	31%
Pingmei Shenma Xinjiang	38,220	451,780	490,000	49%
Total	78,000	922,000	1,000,000	100%

Set out below is a summary of the audited financial information of Tuoli Power for two financial years ended 31 December 2024 and 2023 prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC:

	As at 31 December 2024 <i>RMB '000</i>	As at 31 December 2023 <i>RMB '000</i>
Net assets	78,000	--

	For the year ended 31 December 2024 <i>RMB '000</i>	For the year ended 31 December 2023 <i>RMB '000</i>
Net profit before tax	--	--
Net profit after tax	--	--

Upon Completion, Tuoli Power will become an associate of the Company and be accounted for under the equity method by the Company.

BASIS OF CONSIDERATION

The consideration of the Acquisitions was arrived at after arm's length negotiations between the contracting parties taking into account of the following factors:

- (i) the appraised net asset value of Tuoli Power as at the Valuation Benchmark Date (31 December 2024) of RMB78,103,700 using the asset-based approach, as set out in the Valuation Report issued by the Independent Valuer; and
- (ii) the percentage of equity interest in Tuoli Power to be acquired by the Transferees, i.e. 31%, 10% and 49% to be acquired by the Company, CPI Holding and Pingmei Shenma Xinjiang, respectively.

As at the Valuation Benchmark Date, Tuoli Power had not yet carried out any operational activities and the Project was at its preliminary stage, the income approach was deemed inappropriate since its forecasted earnings would be largely based on estimated parameters with great uncertainty. As there was a lack of comparable companies and transaction data, the market-based approach was also not adopted. The asset-based approach was chosen as it provided a more reasonable estimation of the fair value of the equity holder's interest of Tuoli Power with better precision and accuracy than the other valuation methods.

According to the Valuation Report, the appraised value of Tuoli Power was RMB78,103,700, representing an increase of RMB103,700 when compared to its net asset book value of RMB78,000,000 as at the Valuation Benchmark Date. For details in relation to valuation assumptions, input parameters and the reasons for the differences between the appraised value and the book value, please refer to the appendix to this announcement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

According to Xinjiang Uyghur Autonomous Region's 14th Five-Year Plan and Outline of Long-Term Goals for 2035, Xinjiang focuses on building industrial clusters including high-tech industries, energy and chemical industries, petrochemical and equipment manufacturing industries. It is expected to form a wave of high-energy-consuming industry migration and bringing about a rapid growth in local electricity consumption in Xinjiang.

In support of the above initiatives for transformation and upgrading to a new level of industrial development, there have been significant integration of renewable energy into the power grids. As the demand for electricity continues to grow, it has led to load imbalances during peak consumption periods. For coping with the future development of Xinjiang, the Tacheng Coal Plus Coal-fired Power Integrated Project is positioned to address the power supply shortfall in the region and to serve as a critical safeguard to ensure the security and stability of power supply and power scheduling during peak consumption seasons.

The Acquisition also introduced Pingmei Shenma Xinjiang as a strategic partner through the "coal plus coal-fired power joint operation" (煤電聯營) industrial model. Pingmei Shenma Xinjiang has committed to ensuring a reliable coal supply and stable coal prices through future long-term coal supply agreements with Tuoli Power. The Company believes that this strategic arrangement is expected to enhance Tuoli Power's future yields and profitability while establishing a solid foundation for the synergic development of all its shareholders.

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 Agreement are fair and reasonable, on normal commercial terms, and the Acquisition contemplated thereunder are in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the Acquisition contemplated under the Equity 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 CPI HOLDING

CPI Holding is the immediate holding company of the Company and a wholly-owned subsidiary of SPIC. It is an investment holding company.

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 XINJIANG ENERGY

Xinjiang Energy is a limited liability company incorporated in the PRC in June 2012. As at the date of this announcement, Xinjiang Energy is a non wholly-owned subsidiary of SPIC. It is principally engaged in power generation and investment and asset management in sectors including coal, coal chemicals, mining, building materials, and the chemical industry.

INFORMATION OF PINGMEI SHENMA XINJIANG

Pingmei Shenma Xinjiang is a limited liability company incorporated in the PRC in May 2025. It is principally engaged in power generation, power transmission, electricity supply and distribution, coal processing, coal related product sales, manufacturing and sales of mining machinery, and road freight transportation.

Pingmei Shenma Xinjiang is a wholly-owned subsidiary of Pingmei Shenma Group, a State-owned enterprise which is principally engaged in manufacture and sales of coal, incorporated in the PRC with limited liability under the control of the SASAC of the People's Government of Henan Province.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Pingmei Shenma Xinjiang and its ultimate beneficial owner are independent third parties of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SPIC owns approximately 65.40% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. CPI Holding is a wholly-owned subsidiary of SPIC and the immediate holding company of the Company. Xinjiang Energy is a non wholly-owned subsidiary of SPIC. SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Accordingly, CPI Holding and Xinjiang Energy are connected persons of the Company and entering into the Equity Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, it 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(s)”	the acquisitions of 31%, 10% and 49% equity interests in Tuoli Power by the Company, CPI Holding and Pingmei Shenma Xinjiang respectively, from Xinjiang Energy pursuant to the Equity Transfer Agreement, and individually the “Acquisition” refers only to the Company’s acquisition of 31% equity interest in Tuoli Power
“Board”	the board of Directors of the Company
“Company” or “Transferee”	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”	completion of the Acquisition. Details of which is set out in the section headed “Completion” in this announcement
“CPI Holding” or “Transferee”	China Power International Holding Limited, a company incorporated in Hong Kong with limited liability, the controlling company of the Company and a wholly-owned subsidiary of SPIC
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the agreement dated 17 July 2025 entered into between the Company, CPI Holding, Pingmei Shenma Xinjiang, Xinjiang Energy and Tuoli Power in relation to the Acquisitions
“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
“Independent Valuer”	北京華亞正信資產評估有限公司 (Beijing Huaya Zhengxin Assets Appraisal Co., Ltd*), a qualified asset valuer in 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

“Pingmei Shenma Group”	中國平煤神馬控股集團有限公司 (China Pingmei Shenma Holding Group Co., Ltd.*), a State-owned enterprise incorporated in the PRC with limited liability, which is under the control of the SASAC of the People’s Government of Henan Province
“Pingmei Shenma Xinjiang” or “Transferee”	平煤神馬（新疆）能源有限公司 (Pingmei Shenma (Xinjiang) Energy Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Pingmei Shenma Group
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	The State-owned Assets Supervision and Administration Commission
“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
“Tacheng Coal Plus Coal-fired Power Integrated Project” or “Project”	the project to build two ultra-supercritical coal-fired power generating units with a total installed capacity of 1,320MW together with ash and coal yards in Tuoli County, Tacheng Prefecture, Xinjiang, the PRC
“Transferee(s)”	the Company, CPI Holding and Pingmei Shenma Xinjiang, collectively the “Transferees” and individually the “Transferee”, in respect of the Acquisitions contemplated under the Equity Transfer Agreement
“Tuoli Power” or “Target Company”	托里國電投發電有限責任公司 (Tuoli SPIC Power Generation Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Xinjiang Energy
“Valuation Benchmark Date”	31 December 2024, the date on which the appraised value of Tuoli Power was determined as set out in the Valuation Report
“Valuation Report”	the valuation report prepared by the Independent Valuer in relation to the appraised value of Tuoli Power as of the Valuation Benchmark Date

“Xinjiang Energy” or “Transferor”	國家電投集團新疆能源化工有限責任公司 (SPIC Xinjiang Energy Chemical Co., Ltd.*), a company incorporated in the PRC with limited liability. It is owned as to 67.94% by SPIC and 32.06% by Xinjiang Investment (an independent third party to the Company and its connected persons)
“Xinjiang Investment”	新疆投資發展（集團）有限責任公司 (Xinjiang Investment Development (Group) Co., Ltd.*), a State-owned enterprise incorporated in the PRC with limited liability and is wholly owned by the SASAC and Department of Finance of Xinjiang Uyghur Autonomous Region

* *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, 17 July 2025

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.

APPENDIX

Key assumptions used in the valuation

General Assumptions:

1. Transaction assumption: it is assumed that all assets to be appraised are in the process of transaction, and the Independent Valuer makes estimations in an analogical market according to the transaction conditions of the assets to be appraised.
2. Open market assumption: it is assumed that assets can be freely bought and sold in a fully competitive market, where their prices are determined by the value judgments on the assets of independent buyers and sellers, subject to prevailing market supply conditions. An open market is characterized by a fully competitive marketplace with numerous buyers and sellers. In such a market, both buyers and sellers are on equal standing and have the opportunity and time to obtain sufficient market information. Transactions between buyers and sellers are voluntary and rational, without coercion or restrictions.
3. Going concern assumption: regarding the actual condition of the assets as of the Valuation Benchmark Date, it is assumed that the appraised entity will continue to operate.

Special Assumptions:

1. It is assumed that there are no material changes in the existing relevant national laws, regulations and policies, the national macroeconomic conditions, and the political, economic and social environment of the regions where the parties to this transaction are located.
2. It is assumed that the tax bases, tax rates, or policy-based levy fees applicable to the appraised entity do not change significantly after the Valuation Benchmark Date.
3. It is assumed that the management of the appraised entity, following the Valuation Benchmark Date, is responsible, stable, and capable of fulfilling their duties.
4. It is assumed that the appraised entity fully adheres to all relevant laws and regulations.
5. It is assumed that there are no force majeure or unforeseeable factors that have a significant adverse impact on the appraised entity after the Valuation Benchmark Date.
6. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are fundamentally consistent with those applied in the Valuation Report in all material respects.
7. It is assumed that after the Valuation Benchmark Date, the Tacheng Coal Plus Coal-fired Power Integrated Project of the appraised entity can be effectively implemented in accordance with its feasibility study report.
8. It is assumed that following the Valuation Benchmark Date, there are no tax incentive policies applicable to the relevant taxes, surcharges, and income taxes associated with the appraised entity.

9. It is assumed that after the Valuation Benchmark Date, the business scope and operational approaches of the appraised entity will remain consistent with the current management methods and management level.
10. It is assumed that the appraised entity's net cash flow, is generated evenly in each year after the Valuation Benchmark Date.
11. It is assumed that all information provided by the client and the appraised entity in relation to the Valuation Report is true, complete, legitimate, and effective.
12. When capital expenditure is present and incorporated within the forecast scope, it is hereby assumed that the construction in progress, as well as any future capital expenditure, will be completed and put into use as projected.

Input parameters and calculation process of the valuation

Pursuant to the Valuation Report and the valuation method adopted, as at the Valuation Benchmark Date, the appraised net asset value of Tuoli Power was the sum of (1) the appraised value of current assets; and (2) the appraised value of non-current assets, minus (3) the total liabilities.

1. Current assets

The current assets of Tuoli Power primarily included cash and cash equivalents, prepayments, and other current assets.

Inputs and computation process for value of current assets:

Cash and cash equivalents, prepayments and other current assets were evaluated based on the verified book value.

2. Non-current asset

The non-current asset of Tuoli Power included solely the construction-in-progress of the Tacheng Coal Plus Coal-fired Power Integrated Project.

Inputs and computation process for value of the non-current asset:

Construction-in-progress (including the preliminary development costs): the appraised value was determined by deducting unreasonable expenditures from the verified book value plus appropriate capital costs.

3. Liabilities

The liabilities of Tuoli Power consisted solely of current liabilities, which included accounts payable and other payables.

The appraised value for liabilities was determined by the actual liabilities that Tuoli Power should bear.

Analysis of the reason for the difference between appraised value and book value

As of the Valuation Benchmark Date, the appraised value of Tuoli Power was RMB78,103,700 and the net asset book value was RMB78,000,000, representing an increased value of RMB103,700. It reflected solely the interest charge or the capital cost applicable to the preliminary development costs incurred for the Project as stated in the Valuation Report.

The calculation of the relevant capital cost was based on applying an appropriate Loan Prime Rate (LPR, the lending rate charged by commercial banks in the PRC) for the period to which the preliminary development costs incurred for the Project up to the Valuation Benchmark Date for determining its fair value.