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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)

SUPPLEMENTAL ANNOUNCEMENT

Discloseable and Connected Transactions in relation to the Proposed Asset Restructuring

References are made to the announcement of China Power International Development Limited (the “**Company**”) dated 16 April 2025 and the circular of the Company dated 20 May 2025 (the “**Circular**”) in relation to the Proposed Asset Restructuring. Unless otherwise specified, all capitalized terms used herein shall have the same meanings as those defined in the Circular.

BACKGROUND

On 16 April 2025, the Company, Xiangtou International and Yuanda Environmental entered into the Equity Transfer Agreement I, pursuant to which the Company and Xiangtou International conditionally agreed to transfer 63% and 37% equity interest in Wu Ling Power respectively to Yuanda Environmental at the total consideration of RMB24,667,342,000.00, which shall be settled by Yuanda Environmental by way of Consideration Shares and cash. On the same date, the Company, Xiangtou International and Yuanda Environmental entered into the Wu Ling Power Compensation Agreement, which sets out the profit undertaking and impairment compensation arrangements in relation to the Wu Ling Power Profit Undertaking Assets.

On 16 April 2025, Guangxi Company, a wholly-owned subsidiary of the Company, and Yuanda Environmental entered into the Equity Transfer Agreement II, pursuant to which Guangxi Company conditionally agreed to transfer 64.93% equity interest in Changzhou Hydropower to Yuanda Environmental at the consideration of RMB3,068,189,818.37, which shall be settled by Yuanda Environmental by way of Consideration Shares and cash. On the same date, Guangxi Company and Yuanda Environmental entered into the Changzhou Hydropower Compensation Agreement, which sets out the profit undertaking and impairment compensation arrangements in relation to Changzhou Hydropower.

SUPPLEMENTAL AGREEMENTS

On 29 August 2025, the Company, Xiangtou International and Yuanda Environmental entered into the Supplemental Equity Transfer Agreement I and the Wu Ling Power Supplemental Compensation Agreement, while Guangxi Company and Yuanda Environmental entered into the Supplemental Equity Transfer Agreement II and the Changzhou Hydropower Supplemental Compensation Agreement.

1. Consideration and Settlement Method of Consideration

According to Supplemental Equity Transfer Agreement I, Wu Ling Power plans to distribute cash dividends to its shareholders in proportion to their respective shareholdings prior to Completion, pursuant to which dividends of a total amount of RMB400,000,000 are proposed to be distributed to the Company and Xiangtou International. Therefore, the Company, Xiangtou International and Yuanda Environmental have agreed to adjust Consideration I by adjusting the amount of cash consideration only, while the number of Consideration Shares shall remain unchanged (please refer to page 15 of the Circular).

As amended by the Supplemental Equity Transfer Agreement I, Consideration I payable by Yuanda Environmental shall be calculated in accordance with the following formula:

$$\text{Consideration I} = \text{Valuation of Wu Ling Power} - \text{Amount of dividends distributed by Wu Ling Power after the Appraisal Benchmark Date}$$

Details of the **adjusted Consideration I** are set out as follows:

	Adjusted total amount of consideration (RMB)	Number of Consideration Shares	Adjusted amount of cash consideration (RMB)
The Company	15,288,425,460.00	2,016,793,893	2,078,425,460.00
Xiangtou International	8,978,916,540.00	1,184,427,480	1,220,916,540.00
Total	24,267,342,000.00	3,201,221,373	3,299,342,000.00

According to Supplemental Equity Transfer Agreement II, Changzhou Hydropower plans to distribute cash dividends to its shareholders in proportion to their respective shareholdings prior to Completion, pursuant to which dividends of a total amount of RMB155,832,000 are proposed to be distributed to Guangxi Company. Therefore, Guangxi Company and Yuanda Environmental have agreed to adjust Consideration II by adjusting the amount of cash consideration only, while the number of Consideration Shares shall remain unchanged (please refer to page 16 of the Circular).

As amended by the Supplemental Equity Transfer Agreement II, Consideration II payable by Yuanda Environmental shall be calculated in accordance with the following formula:

$$\text{Consideration II} = 64.93\% \times \left(\text{Valuation of Changzhou Hydropower} - \text{Amount of dividends distributed by Changzhou Hydropower after the Appraisal Benchmark Date} \right)$$

Details of the **adjusted Consideration II** are set out as follows:

	Adjusted total amount of consideration (RMB)	Number of Consideration Shares	Adjusted amount of cash consideration (RMB)
Guangxi Company	2,912,357,818.37	398,167,938	304,357,818.37

2. Profit or Loss during the Transitional Period

Pursuant to the Equity Transfer Agreements and the Compensation Agreements, any losses attributable to Wu Ling Power Profit Undertaking Assets during the Transitional Period shall be borne by the Company and Xiangtou International in proportion to their shareholding in Wu Ling Power as at the date when Equity Transfer Agreement I becomes effective and shall be paid by the Company and Xiangtou International, respectively, in cash to Yuanda Environmental, whereas any losses attributable to Target Equity Interest II shall be borne by Guangxi Company and shall be paid by Guangxi Company in cash to Yuanda Environmental. If the Compensation Period overlaps with the Transitional Period, the Compensation Obligors are still required to compensate Yuanda Environmental for any losses incurred during the Transitional Period, but the relevant compensation amount shall be deducted from the compensation amount payable by the Compensation Obligors under the Compensation Agreements (please refer to pages 19-20 and 24 of the Circular).

As amended by the Supplemental Agreements, if the Compensation Period overlaps with the Transitional Period, the Compensation Obligors shall not be required to compensate for any losses incurred during the Transitional Period, and shall directly implement the relevant compensation arrangements in accordance with the Compensation Agreements. Accordingly, no deduction for any losses incurred during the Transitional Period shall be made from the compensation amount payable under the Compensation Agreements (as amended by the Supplemental Compensation Agreements).

3. Transfer of Wu Ling Power Profit Undertaking Assets by Wu Ling Power

Pursuant to the Wu Ling Power Compensation Agreement, in the event that after entering into the Wu Ling Power Compensation Agreement and before the Compensation Period ends, Wu Ling Power transfers one or more of the Wu Ling Power Profit Undertaking Assets out of the Group (“**Transferred Asset**”), if the consideration of 100% equity interest in the Transferred Asset as at the date of the change in business registration (“**N**”), is lower than the sum of (i) the appraised value of 100% equity interest in the Transferred Asset and (ii) the interest accrued on such appraised value from the date when the relevant Equity Transfer Agreement becomes effective to the date of the change of business registration of the Transferred Asset (the interest rate shall be the 1-year lending rate quoted by the National Interbank Funding Center, and the appraised value shall be adjusted by the impact of any capital increase, capital reduction, the acceptance of grant and profit distribution during the interest period) (such sum being “**M**”), then any shortfall shall be borne by the Company and Xiangtou International in accordance with the following formula:

$$\text{Amount of compensation} = (M - N) \times \text{Wu Ling Power's shareholding percentage in the Transferred Asset} \times \text{the Company or Xiangtou International's respective shareholding in Wu Ling Power}$$

In accordance with the Wu Ling Power Compensation Agreement, if the abovementioned compensation obligation arises, the Company and Xiangtou International shall compensate Yuanda Environmental in cash (please refer to page 30 of the Circular).

As amended by the Wu Ling Power Supplemental Compensation Agreement, if the abovementioned compensation obligation arises, the Company and Xiangtou International shall first compensate Yuanda Environmental by way of Compensation Shares (instead of cash). The number of Compensation Shares shall be derived by dividing the amount of compensation, as determined by the formula set out above, by the Issue Price, and shall be subject to the following provisions (the “**Applicable Provisions**”).

- (1) If the calculated number of Compensation Shares includes decimals, it shall be rounded off to the nearest integer.
- (2) During the Compensation Period, if there is any capitalisation issue or distribution of bonus shares by Yuanda Environmental resulting in a change in the number of shares in Yuanda Environmental held by the Company and Xiangtou International, the number of Compensation Shares shall be adjusted as follows: Number of Compensation Shares (after adjustment) = Number of Compensation Shares \times (1 + percentage of capitalisation or bonus shares).
- (3) If Yuanda Environmental distributes cash dividends during the Compensation Period, the Company and Xiangtou International shall return to Yuanda Environmental the dividend income attributable to the Compensation Shares received.
- (4) If the Consideration Shares held by the Company and Xiangtou International are not sufficient to fulfil their respective compensation obligation, they shall compensate Yuanda Environmental in cash for the shortfall in accordance with the following formula:

$$\begin{array}{ccccc} \text{Amount of cash to be} & & \text{Shortfall in the number of} & & \\ \text{compensated} & = & \text{Compensation Shares} & \times & \text{Issue Price} \end{array}$$

4. Impairment Compensation

In accordance with the Administrative Measures for the Material Asset Restructuring of Listed Companies (which are applicable to Yuanda Environmental as a SSE-listed company), since certain assets of Wu Ling Power were appraised using the market approach in the Asset Appraisal Reports (the “**Market Approach Assets**”), the Company and Xiangtou International are also required to fulfil impairment compensation obligations in respect of such assets (which were not subject to impairment compensation obligation prior to the entering into of the Supplemental Agreements).

Under the Wu Ling Power Supplemental Compensation Agreement, the compensation period in relation to the Market Approach Assets is the same as the Compensation Period under the Compensation Agreements (please refer to page 5 of the Circular).

Details of the Market Approach Assets are set out in the table below, where the consideration corresponding to each Group of Market Approach Assets is the aggregate sum of the valuation of the assets within the Group of Market Approach Assets multiplied by the percentage of the equity interest held by Wu Ling Power in the Relevant Company (*Note 1 in the following table*):

Company which owns the Market Approach Assets (“Relevant Company”)	Wu Ling Power’s equity interest in the Relevant Company	Category of asset	Group of Market Approach Assets	Valuation of the Group of Market Approach Assets as at the Appraisal Benchmark Date (RMB’000)	(Note 1) Consideration for the Group of Market Approach Assets (RMB’000)
Wu Ling Power	100%	Investment in other equity instrument	Group I	180,531.6	180,531.6
		Self-owned properties	Group II	29,228.0	29,228.0
			Group III	9,885.6	9,885.6
			Group IV	3,103.6	3,103.6
			Group V	80,502.2	80,502.2
Hunan Wuling Power Engineering Co., Ltd. (湖南五凌電力工程有限公司)	100%	Self-owned properties	Group VI	673.5	673.5
Guizhou Qingshuijiang Hydropower Co., Ltd. (貴州清水江水電有限公司)	95%	Self-owned properties	Group VII	3,543.3	3,366.1
Wu Ling Hanxing Zhuzhou Hydrogen Technology Co., Ltd. (五凌漢興株洲氫能科技有限公司)	70%	Self-owned land	Group VIII	42,472.1	29,730.5
Total				349,939.9	337,021.0

Within four months upon the end of each Applicable Period during the Compensation Period, Yuanda Environmental shall engage a valuation entity to carry out impairment test on each Group of Market Approach Assets as set out in the table above, and engage an accounting firm to issue a specific audit report in accordance with applicable PRC laws and regulations.

If there is impairment in respect of any Group of Market Approach Assets in any Applicable Period during the Compensation Period (when assessing whether there is impairment in respect of any Group of Market Approach Assets, the impairment of assets within the same group shall be calculated on a combined basis), the Company and Xiangtou International shall compensate Yuanda Environmental in proportion to their respective shareholding in Wu Ling Power as at the date of Equity Transfer Agreement I. The number of Compensation Shares for each Applicable Period shall be calculated based on the following formula, subject to the Applicable Provisions set out under the section headed “3. Transfer of Wu Ling Power Profit Undertaking Assets by Wu Ling Power” above:

$$\text{Number of Compensation Shares} = \frac{\text{Total impairment amount of Market Approach Assets as at the end of each Applicable Period during the Compensation Period} - (\text{total number of Compensation Shares compensated in respect of the Market Approach Assets during the Compensation Period} \times \text{Issue Price} + \text{total amount of cash compensation paid in respect of the Market Approach Assets (if any)})}{\text{Issue Price}}$$

The total impairment amount of the Market Approach Assets is the aggregate of (a) the difference between the valuation of each Group of Market Approach Assets as at the Appraisal Benchmark Date and the valuation of such Group of Market Approach Assets as at the end of each Applicable Period during the Compensation Period, multiplied by (b) the percentage of equity interest held by Wu Ling Power in the Relevant Company that owns the relevant Group of the Market Approach Assets, as adjusted by the impact of capital increase, capital reduction, the acceptance of grant and profit distribution of the Market Approach Assets during the Compensation Period.

The total number of Compensation Shares to be compensated by each Compensation Obligor in respect of the profit undertaking, impairment compensation and the transfer of Wu Ling Power Profit Undertaking Assets by Wu Ling Power (if applicable) shall not exceed the relevant number of Consideration Shares received by the relevant Compensation Obligor in respect of the Profit Undertaking Assets and Market Approach Assets under the Proposed Asset Restructuring (including shares obtained through capitalisation issue or distribution of bonus shares).

The total amount of compensation to be compensated by each Compensation Obligor in respect of the profit undertaking, impairment compensation (in respect of the Profit Undertaking Assets only) and the transfer of Wu Ling Power Profit Undertaking Assets by Wu Ling Power (if applicable) shall not exceed the relevant consideration received by the relevant Compensation Obligor in respect of the Profit Undertaking Assets under the Proposed Asset Restructuring. The total amount of compensation to be compensated by each Compensation Obligor in respect of the Market Approach Assets shall also not exceed the relevant consideration received by the relevant Compensation Obligor in respect of the Market Approach Assets under the Proposed Asset Restructuring.

The table below sets out the details of the maximum amount of compensation in the extreme circumstances where the full amount of compensation is payable under the Compensation Agreements as amended by the Supplemental Compensation Agreements:

	Maximum amount of compensation (by way of cash and Compensation Shares) (RMB)	Maximum amount of compensation by way of Compensation Shares (RMB)	Maximum number of Compensation Shares
The Company	2,937,206,502.14	2,500,366,326.35	381,735,317
Xiangtou International	1,725,026,040.94	1,468,421,037.90	224,186,418
Guangxi Company	2,912,357,818.37	2,608,000,000.00*	398,167,938*

* Under the Changzhou Hydropower Supplemental Compensation Agreement, there is no change to the maximum amount of compensation payable by Guangxi Company by way of Compensation Shares under the Changzhou Hydropower Compensation Agreement.

With respect to the maximum amount of compensation under the Wu Ling Power Supplemental Compensation Agreement:

- (1) The maximum amount of compensation payable by each of the Company and Xiangtou International respectively under the profit undertaking and impairment compensation is as follows:

$$\begin{array}{ccccccc}
& & \text{Sum of the} & & \text{Sum of the valuation of} & & \\
& & \text{valuation} & & \text{each Group of Market} & & \\
& & \text{attributable to Wu} & & \text{Approach Assets} & & \\
& & \text{Ling Power's} & & \text{multiplied by the equity} & & \\
& & \text{equity interest in} & & \text{interest held by Wu Ling} & & \\
& & \text{the Wu Ling Power} & & \text{Power in the Relevant} & & \\
& & \text{Assets (being the} & & \text{Company (being the total} & & \\
& & \text{total consideration} & & \text{consideration attributable} & & \\
& & \text{attributable to Wu} & & \text{to the Market Approach} & & \\
& & \text{Ling Power Profit} & & \text{Assets)} & & \\
& & \text{Undertaking} & & & & \\
& & \text{Assets)} & & & & \\
\text{Maximum} & = & (& + &) & \times & \\
\text{amount of} & & \text{Profit Undertaking} & & \text{Power in the Relevant} & & \text{The Company and} \\
\text{compensation} & & \text{Assets (being the} & & \text{Company (being the total} & & \text{Xiangtou's} \\
& & \text{total consideration} & & \text{consideration attributable} & & \text{respective equity} \\
& & \text{attributable to Wu} & & \text{to the Market Approach} & & \text{interest in Wu Ling} \\
& & \text{Ling Power Profit} & & \text{Assets)} & & \text{Power as at the date} \\
& & \text{Undertaking} & & & & \text{of Equity Transfer} \\
& & \text{Assets)} & & & & \text{Agreement I}
\end{array}$$

- (2) The maximum number of Compensation Shares under the profit undertaking and impairment compensation is (a) the maximum amount of compensation by way of Compensation Shares divided by the Issue Price, multiplied by (b) the Company and Xiangtou International's respective equity interest in Wu Ling Power as at the date of the Equity Transfer Agreement I (for the Company, being RMB2,500,366,326.35 divided by RMB6.55/share, equal to 381,735,317 Consideration Shares; and for Xiangtou International, being RMB1,468,421,037.90 divided by RMB6.55/share, equal to 224,186,418 Consideration Shares), and any shares obtained from capitalisation issue or distribution of bonus shares from those Consideration Shares.

5. Potential Impact of the Supplemental Agreements

In the extreme case where the Compensation Obligors are required to return certain Consideration Shares to Yuanda Environmental pursuant to the respective Compensation Agreements as amended by the Supplemental Compensation Agreements, i.e. (1) the Company is required to transfer 381,735,317 Consideration Shares, (2) Guangxi Company is required to transfer 398,167,938 Consideration Shares and (3) Xiangtou International is required to transfer 224,186,418 Consideration Shares, the total number of issued shares of Yuanda Environmental as a result will be 3,376,116,528, and the Group will hold 48.43% equity interest in Yuanda Environmental (which was 48.62% prior to the entering into of the Supplemental Agreements). Taking into consideration the Compensation Agreements as amended by the Supplemental Compensation Agreements, the maximum net disposal of interest by the Group in Wu Ling Power and Changzhou Hydropower is 14.57% and 33.48% respectively (which was 14.38% and 33.36% respectively prior to the entering into of the Supplemental Agreements (please refer to page 48 of the Circular)).

Assuming there will be no change in the shareholding of Yuanda Environmental aside from (a) the issue of Consideration Shares pursuant to the Equity Transfer Agreements as amended by the Supplemental Equity Transfer Agreements and (b) the placing of additional new shares of Yuanda Environmental under the Proposed Placing (if conducted), which will proceed on the basis of the parameters described in "*M. Proposed Placing by Yuanda Environmental — (4) Amount of funds to be raised and number of shares to be issued*" in the Circular, based on the (i) the Group's shareholding in Yuanda Environmental and (ii) the Yuanda Environmental Shares Voting Agreement to be entered into on the date of Completion (please refer to the section "*H. Letter of Undertaking by SPIC*" in the Circular), the Company still expects that Yuanda Environmental will continue to be accounted for on a consolidated basis in the financial statements of the Group, regardless of the amount of compensation payable under the Compensation Agreements as amended by the Supplemental Compensation Agreements.

LISTING RULES IMPLICATIONS

The Directors (including the independent non-executive Directors) consider that the entering into the Supplemental Agreements and the terms therein, are fair and reasonable, and in the best interests of the Company and its shareholders as a whole.

As the entering into the Supplemental Agreements does not constitute a material amendment to the terms of the Equity Transfer Agreements and the Compensation Agreements, the Supplemental Agreements and the transactions contemplated thereunder are not subject to the reporting, announcement, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On the date of this announcement, Yuanda Environmental published an announcement regarding the Supplemental Agreements and other developments and details in relation to the Proposed Asset Restructuring (including updates on the Proposed Asset Pre-Restructuring), which is available on the website of the Shanghai Stock Exchange (www.sse.com.cn).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Changzhou Hydropower Supplemental Compensation Agreement”	the supplemental agreement dated 29 August 2025 entered into between Guangxi Company and Yuanda Environmental in relation to Changzhou Hydropower Compensation Agreement
“Supplemental Agreements”	the Supplemental Equity Transfer Agreements and the Supplemental Compensation Agreements
“Supplemental Compensation Agreements”	Changzhou Hydropower Supplemental Compensation Agreement and Wu Ling Power Supplemental Compensation Agreement
“Supplemental Equity Transfer Agreement I”	the supplemental agreement dated 29 August 2025 entered into between the Company, Xiangtou International and Yuanda Environmental in relation to Equity Transfer Agreement I
“Supplemental Equity Transfer Agreement II”	the supplemental agreement dated 29 August 2025 entered into between Guangxi Company and Yuanda Environmental in relation to Equity Transfer Agreement II
“Supplemental Equity Transfer Agreements”	Supplemental Equity Transfer Agreement I and Supplemental Equity Transfer Agreement II

“Wu Ling Power
Supplemental
Compensation
Agreement”

the supplemental agreement dated 29 August 2025
entered into between the Company, Xiangtou
International and Yuanda Environmental in relation
to Wu Ling Power Compensation Agreement

By Order of the Board
China Power International Development Limited
HE Xi
Chairman

Hong Kong, 1 September 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.