

*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)**

### **CONTINUING CONNECTED TRANSACTIONS**

#### **Renewal of Entrusted Management Framework Agreement**

On 29 December 2025, the Company entered into the New Entrusted Management Framework Agreement with CPI Holding, pursuant to which, the Company has agreed to continue to provide planning, operating and management services to the Entrusted Companies for a term of three years from 1 January 2026 to 31 December 2028 upon expiry of the existing entrusted management framework agreement on 31 December 2025.

Pursuant to the New Entrusted Management Framework Agreement, the proposed annual caps of management fees payable by CPI Holding to the Company for the three financial years ending 31 December 2026, 2027 and 2028 shall be RMB61,445,000, RMB104,923,000 and RMB120,661,000 (equivalent to approximately HK\$68,272,000, HK\$116,581,000 and HK\$134,068,000), respectively.

As at the date of this announcement, CPI Holding owns approximately 59.42% of the issued share capital of the Company and is the controlling shareholder of the Company. CPI Holding, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the New Entrusted Management Framework Agreement constitute continuing connected transactions of the Company.

As certain applicable percentage ratios in relation to the highest annual cap of the New Entrusted Management Framework Agreement exceed 0.1% but are less than 5%, it is therefore subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 3 April 2023 in relation to the existing entrusted management framework agreement which is due to expire on 31 December 2025.

On 29 December 2025, the Company entered into the New Entrusted Management Framework Agreement with CPI Holding, pursuant to which, the Company has agreed to continue to provide planning, operating and management services to the Entrusted Companies located onshore of the PRC (excluding those located offshore of the PRC under the existing entrusted management framework agreement) under CPI Holding for a term of three years from 1 January 2026 to 31 December 2028.

## **NEW ENTRUSTED MANAGEMENT FRAMEWORK AGREEMENT**

### **Date**

29 December 2025

### **Parties**

- (i) CPI Holding, representing its subsidiaries or associates (other than the Group) as the Entrusting Party; and
- (ii) The Company, representing its subsidiaries, as the Managing Party.

### **Effective period**

Three years commencing from from 1 January 2026 to 31 December 2028 (both days inclusive).

### **Principal Terms**

#### ***(1) Services to be provided***

Under the New Entrusted Management Framework Agreement, the Company is responsible for providing planning, operating and managing services according to the needs of each of the Entrusted Companies located onshore of the PRC. The contents of the services shall include all or part of the following:

- (a) corporate planning and development, investment management and annual operating and budget planning;
- (b) electricity sales management, production safety management, fuel procurement management, engineering management, financial management, human resources management, information technology management, legal and compliance, risk and internal control management; and
- (c) such other services for the operation and management of the Entrusted Companies as agreed between the relevant Entrusting Party and the Managing Party from time to time.

During the term of the New Entrusted Management Framework Agreement, the operational costs and expenses, funding needs, income and gains, profit or loss, business risks, debts and legal liabilities of the Entrusted Companies shall be solely enjoyed or borne by the individual Entrusting Party and/or the Entrusted Companies.

**(2) Pricing bases and payment terms**

The management fees payable by Entrusting Party to the Managing Party consist of the following three components:

- (a) management costs that are based on the Installed Capacity of the Entrusted Companies (the “**Management Costs**”);
- (b) a fixed premium set at 10% of the Management Costs; and
- (c) an assessment bonus which is an incentive calculated by reference to the confirmed annual results of the Entrusted Companies under management but which shall not exceed 5% of the Management Costs.

If there is any change in the Installed Capacity of the power plants held under the Entrusted Companies, the new management fees (excluding the assessment bonus component) can be adjusted at the end of each quarter according to the formula below which will take effect from the first day of the following quarter:

The management fees payable for the previous quarter (excluding the assessment bonus)	x	<div style="display: inline-block; text-align: center;"> The aggregate of the actual Installed Capacity for that quarter  <hr style="width: 100%;"/> The aggregate of the actual Installed Capacity for the previous quarter </div>
---	---	---

The first two components of the management fees are payable quarterly within 10 working days after the end of each quarter. The assessment bonus component is payable based on the annual evaluation of performance of the Managing Party but no later than 90 days after the end of each calendar year.

The Entrusting Party will bear the management fees according to its proportional equity interest in the relevant Entrusted Company.

During the term of the New Entrusted Management Framework Agreement, the management fees shall be re-determined by the parties after completing each management year with reference to the following factors:

- (a) the inflation rate of the previous year as published by the National Bureau of Statistics of China (中國國家統計局);
- (b) the average percentage increase in salaries of the Company’s employees as approved by the Board; and
- (c) any change in the scope or nature of the entrusted management services.

In any event, the annual increment rate of the Management Costs shall not exceed 10% and shall take effect from the commencement day of the immediately following management year (i.e. 1<sup>st</sup> January each year).

The management fees above were negotiated on arm's length basis between the parties taking into account (i) the estimated additional personnel and resources required to be deployed and the costs to be incurred by the Company to provide the required services; (ii) the scale and quality of the Entrusted Companies; (iii) the scope of the management services provided; (iv) the management fees charged by the Company for comparable projects of the same type of services provided to Independent Third Parties; and (v) the expected potential benefits of the transaction contemplated under the New Entrusted Management Framework Agreement to the Group.

### ***Historical Amounts***

The historical amounts and the annual caps (exclusive of taxes) of the past transactions under the existing entrusted management framework agreement are set out below:

<b>Year</b>	<b>Historical amount (RMB '000)</b>	<b>Annual caps (RMB '000)</b>
2023 (full year)	95,723	110,430
2024 (full year)	117,079	125,220
2025 (expected full year)	126,707	148,030

### ***Proposed New Annual Caps***

The proposed new annual caps (exclusive of taxes) of the transactions with CPI Holding contemplated under the New Entrusted Management Framework Agreement for the three financial years ending 31 December 2026, 2027 and 2028 are set out below:

<b>Year</b>	<b>Annual Caps <sup>(Note)</sup> (RMB '000)</b>
2026	61,445
2027	104,923
2028	120,661

*Note: The New Entrusted Management Framework Agreement has excluded those Entrusted Companies located offshore of the PRC as SPIC is reorganizing its overseas energy businesses. Should the Company be entrusted to extend the scope of management subsequently, it will revise the annual cap and make announcement as and when required.*

The above proposed new annual caps were determined by the parties to the New Entrusted Management Framework Agreement after discussion and negotiations on an arm's length basis taking into account the following factors:

- (a) the present total Installed Capacity;
- (b) the expected increase in Installed Capacity, which corresponds to CPI Holding's development plans for the next three financial years ending 31 December 2026, 2027, and 2028;
- (c) the projected completion of certain large-scale power generating units, which are presently under construction, during the term of the New Entrusted Management Framework Agreement;
- (d) the management fees (inclusive of the three components mentioned under the pricing bases above); and
- (e) a buffer to accommodate unexpected increases in demand for entrusted management services, such as the possibility of acquisitions of new power generating units by CPI Holding.

### **(3) *Undertaking***

The Managing Party has the right of first refusal to acquire the Entrusted Companies under the New Entrusted Management Framework Agreement. The Entrusting Party shall seek in advance the opinion of the Managing Party whether to exercise the right of first refusal in writing when transferring or selling the equity interest or assets of the Entrusted Companies.

## **INTERNAL CONTROL MEASURES AND PROCEDURES**

As a general principle, the price and terms of the New Entrusted Management Framework Agreement was determined in the ordinary and usual course of business of the Group, on normal commercial terms or better, negotiated on an arm's length basis, on similar basis as the Group transacts business with other Independent Third Parties.

The pricing policy for the continuing connected transactions of the Company under the New Entrusted Management Framework Agreement will be supervised and monitored by relevant personnel and management of the Company to ensure that all continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policies of the Company and will not be prejudicial to the interests of the Company and its shareholders as a whole. The relevant personnel and management of the Company will conduct regular checks and assess whether the continuing connected transactions contemplated under the New Entrusted Management Framework Agreement are conducted in accordance with the terms of the New Entrusted Management Framework Agreement. The internal control department of the Company will also regularly review whether the payment received for specific transactions are fair and reasonable and in accordance with the applicable pricing policy. The Audit Committee of the Company will review the continuing connected transactions contemplated under the New Entrusted Management Framework Agreement quarterly, and the auditors of the Company will also conduct an annual review on the pricing terms and the annual caps thereof.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW ENTRUSTED MANAGEMENT FRAMEWORK AGREEMENT**

The Company believes that the New Entrusted Management Framework Agreement will be beneficial to the Company in various aspects including the following:

- It will increase the income and profit of the Company and minimize competition with related parties.
- It allows the Company to utilize its management expertise and achieve greater management synergy in terms of operational efficiency, and resource optimization through the management of the Entrusted Companies.
- The New Entrusted Management Framework Agreement gives the Company the right of first refusal to acquire the Entrusted Companies. By acquiring operational insights regarding the quality, financial performance, and profitability of the entrusted assets, the Company will be in a strong position to seek out and capitalize on opportunities for acquiring premium assets. This strategic advantage will lay a solid foundation for the Company's future growth and success.

The Board considered that, the terms of the New Entrusted Management Framework Agreement and the implementation of the aforementioned internal control measures and procedures can ensure that the transactions contemplated under the New Entrusted Management Framework Agreement are no less favourable to the Group than those to 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 New Entrusted Management Framework Agreement has been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, 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 transactions contemplated under the New Entrusted Management Framework Agreement or is required to abstained from voting on the related Board resolution.

## **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 ENTRUSTING PARTY

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

All the Entrusted Companies are either wholly or partly owned or ultimately controlled by CPI Holding, and are all principally engaged in power generation and/or related businesses.

## 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, CPI Holding owns approximately 59.42% of the issued share capital of the Company and is the controlling shareholder of the Company. CPI Holding, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the New Entrusted Management Framework Agreement constitute continuing connected transactions of the Company.

As certain applicable percentage ratios in relation to the highest annual cap of the New Entrusted Management Framework Agreement exceed 0.1% but are less than 5%, it is therefore subject to the reporting, announcement and annual review 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:

“Board”	the board of Directors of the Company
“Company” or “Managing Party”	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
“CPI Holding” or “Entrusting Party”	China Power International Holding Limited (中國電力國際有限公司), a company incorporated in Hong Kong with limited liability, the immediate holding company of the Company and a wholly-owned subsidiary of SPIC

“Director(s)”	director(s) of the Company
“Entrusted Companies”	the companies that are either wholly or partly owned or ultimately controlled by the Entrusting Party, the management of which shall be entrusted to the Company in accordance with the New Entrusted Management Framework Agreement
“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 Third Parties”	third parties independent of the Group and its connected persons
“Installed Capacity”	the installed capacity of the power generating units under each of the Entrusted Companies
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Entrusted Management Framework Agreement”	the agreement dated 29 December 2025 entered into by the Company and CPI Holding, pursuant to which the Company will provide planning, operating and managing services for the power assets of the Entrusted Companies for a term of three years
“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

\* *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 RMB0.90 to HK\$1.00. The translation shall not be taken as representation that 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**  
**WANG Zichao**  
*Chairman*

Hong Kong, 29 December 2025

*As at the date of this announcement, the directors of the Company are: executive directors WANG Zichao and ZHAO Yonggang, 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.*