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)

Discloseable and Connected Transaction

Capital Reduction of Xinyuan Green Power

Capital Reduction Agreement

On 12 February 2026, CCB Investment, the Company and Xinyuan Green Power (a non wholly-owned subsidiary of the Company) entered into the Capital Reduction Agreement, pursuant to which CCB Investment will exit its entire equity interest in Xinyuan Green Power by way of a directed capital reduction of Xinyuan Green Power's registered capital in an amount of RMB1,665,713,115 (equivalent to approximately HK$1,871,587,800) for a consideration of RMB2,005,973,156 (equivalent to approximately HK$2,253,902,400).

Immediately after the Capital Reduction, the registered capital of Xinyuan Green Power shall reduce from RMB3,665,713,115 (equivalent to approximately HK$4,118,778,700) to RMB2,000,000,000 (equivalent to approximately HK$2,247,191,000). The Company's equity interest in Xinyuan Green Power will then increase from 54.56% to 100%.

Listing Rules Implications

As at the date of this announcement, CCB Investment is a substantial shareholder of two subsidiaries of the Company, and thus a connected person at the subsidiary level of the Company as defined in the Listing Rules. Accordingly, the Capital Reduction contemplated under the Capital Reduction Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Reduction is more than 5% but less than 25%, the Capital Reduction also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Capital Reduction Agreement is (i) entered into on normal commercial terms or better; (ii) approved by the Board; and (iii) confirmed by the independent non-executive Directors that the terms of the Capital Reduction Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole, the transaction contemplated thereunder is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules, but is subject to the reporting and announcement requirements.

BACKGROUND

Reference is made to the Company's announcement dated 3 January 2023 in relation to the Capital Injection. On 31 December 2022, CCB Investment, the Company and Xinyuan Green Power entered into the Capital Injection Agreement and the Cooperation Agreement, pursuant to which the parties agreed to CCB Investment's capital injection of RMB2,000,000,000 into Xinyuan Green Power (of which, RMB1,665,713,115 has been recognized as the registered capital of Xinyuan Green Power). Following the Capital Injection, the Company's equity interest in Xinyuan Green Power was reduced from 100% to 54.56%, and CCB Investment became a substantial shareholder of Xinyuan Green Power holding 45.44% of its equity interest.

Pursuant to the Repurchase Option under the Cooperation Agreement, CCB Investment may request, or the Company shall have the right, but not the obligation, to repurchase the equity interest in Xinyuan Green Power from CCB Investment on the date falling on the third anniversary since the completion date of the Capital Injection. In January 2026, the Company resolved to exercise the Repurchase Option, all the parties to the Cooperation Agreement then agreed to enter into the Capital Reduction Agreement.

CAPITAL REDUCTION AGREEMENT

The principal terms of the Capital Reduction Agreement are summarized below.

Date

12 February 2026

Parties

(i) CCB Investment;

(ii) the Company; and

(iii) Xinyuan Green Power.

The Capital Reduction

Pursuant to the Capital Reduction Agreement, CCB Investment will exit its entire equity interest in Xinyuan Green Power by way of a directed capital reduction of Xinyuan Green Power's registered capital in an amount of RMB1,665,713,115 (equivalent to approximately HK$1,871,587,800) (being the amount originally injected by CCB Investment and recognised to the registered capital of Xinyuan Green Power, representing 45.44% equity interest of Xinyuan Green Power) for a consideration of RMB2,005,973,156 (equivalent to approximately HK$2,253,902,400).

Immediately following the Capital Reduction, the registered capital of Xinyuan Green Power shall be reduced from RMB3,665,713,115 (equivalent to approximately HK$4,118,778,700) to RMB2,000,000,000 (equivalent to approximately HK$2,247,191,000). The Company's equity interest in Xinyuan Green Power will then increase from existing 54.56% to 100%.

Basis of determination of the consideration

The consideration payable by Xinyuan Green Power to CCB Investment for the Capital Reduction was determined at arm's length negotiation between the Company, CCB Investment and Xinyuan Green Power, and according to the terms of the Repurchase Option under the Cooperation Agreement, the repurchase price was agreed to be based on the appraised value of the equity interest in Xinyuan Green Power held by CCB Investment.

The appraised value of Xinyuan Green Power as at the Valuation Date is in the amount of RMB4,414,553,600, as set out in the Valuation Reports (the "**Valuation**"). CCB Investment holds a 45.44% equity interest in Xinyuan Green Power, corresponding to an assessed value of RMB2,005,973,156. The Company engaged Shanghai Lixin to perform asset appraisals and prepare the Valuation Reports in respect of Xinyuan Green Power and its Underlying Project Companies. Further details of the Valuation, including the key assumptions and methodologies used in the Valuation Reports are set out in Appendix I to this announcement.

While the valuation of Xinyuan Green Power was based on the asset-based approach, since the value of the Underlying Project Companies is based on a valuation adopting the income approach, such valuation adopting the income approach constitutes a profit forecast under Rule 14.61 of the Listing Rules, therefore the Company is required to comply with the announcement requirements under Rule 14.60A of the Listing Rules. Zero2IPO Capital Limited, the Company's financial adviser, has confirmed that it is satisfied that the profit forecast was made by the Board after due and careful enquiry. The full text of the letter from Zero2IPO Capital Limited is contained in Appendix II to this announcement. Ernst & Young, the Company's reporting accountant, has reported on the arithmetical accuracy of the calculations of the discounted cash flow forecast contained in the Valuation Reports. The full text of the report from Ernst & Young is contained in Appendix III to this announcement.

Payment of Consideration

According to the Capital Reduction Agreement, Xinyuan Green Power shall settle the payment of the consideration in cash by bank remittance into the designated account of CCB Investment on 21 February 2026.

The cash consideration payable by Xinyuan Green Power will be funded by the internal resources of Xinyuan Green Power Group and the Group.

REASONS FOR AND BENEFITS OF THE CAPITAL REDUCTION

Following CCB Investment's exit from Xinyuan Green Power, Xinyuan Green Power will become a wholly-owned subsidiary of the Company. The Company is positive about the future development of Xinyuan Green Power. The Company will then be entitled to the entire profit generated from Xinyuan Green Power in the coming future, and thus will increase the contribution to the net profit attributable to shareholders of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Reduction Agreement and the Capital Reduction contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors (including the independent non-executive Directors) has a material interest in the Capital Reduction Agreement or is required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CCB Investment holds 45.44% and 46.50% equity interests in Xinyuan Green Power and Haiyang New Energy, respectively, both of which are non wholly-owned subsidiaries of the Company. As such, CCB Investment is a substantial shareholder of two subsidiaries of the Company, and thus a connected person at the subsidiary level of the Company as defined in the Listing Rules. Accordingly, the Capital Reduction contemplated under the Capital Reduction Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Reduction is more than 5% but less than 25%, the Capital Reduction also constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

CCB Investment is a connected person at the subsidiary level of the Company, and the Capital Reduction Agreement is (i) entered into on normal commercial terms or better; (ii) approved by the Board; and (iii) confirmed by the independent non-executive Directors that although the Capital Reduction contemplated under the Capital Reduction Agreement is not in the ordinary and usual course of business of the Group, the terms of the Capital Reduction Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole. The transaction contemplated thereunder is therefore exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules, but is subject to the reporting and announcement requirements.

INFORMATION ON 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, integrated intelligent energy solution services, and pollution control businesses. Its businesses are located in various major power grid regions of China.

SPIC, the ultimate controlling shareholder of the Group, is an investment holding company principally engaged in businesses that cover various sectors, including power, coal, aluminium, 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 CCB INVESTMENT

CCB Investment is a company incorporated in July 2017 in the PRC with limited liability, and is a wholly-owned subsidiary of and ultimately controlled by China Construction Bank Corporation, the A shares of which are listed on the Shanghai Stock Exchange under the stock code 601939 and the H shares of which are listed on the Stock Exchange under the stock code 00939. CCB Investment is principally engaged in debt-to-equity swaps and related supporting businesses, raising funds from eligible public investors according to law and regulations to carry out debt-to-equity swap, issuing financial bonds for exclusive use in debt-to-equity swap, as well as other businesses approved by the National Financial Regulatory Administration.

China Construction Bank Corporation is a leading large-scale commercial bank in the PRC which provides comprehensive portfolio of corporate and retail banking products and services for a broad range of customers, including corporate finance business, personal finance business, treasury and asset management business.

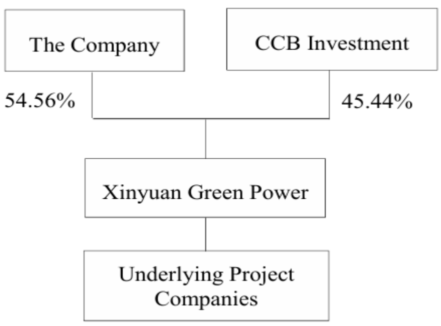
INFORMATION OF XINYUAN GREEN POWER

Xinyuan Green Power is an investment holding company incorporated in September 2022 in the PRC. As at the date of this announcement, Xinyuan Green Power is a non wholly-owned subsidiary of the Company and is owned as to approximately 54.56% by the Company and 45.44% by CCB Investment. Xinyuan Green Power holds six subsidiaries (collectively, the "**Underlying Project Companies**"), as follows:

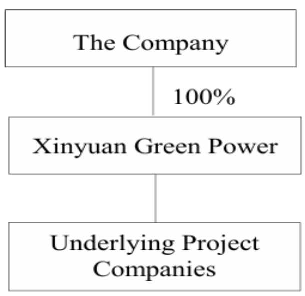
	Name of Company	**Equity interest held by Xinyuan Green Power**	**Directly or Indirectly held**
1	中電淮南謝家集光伏發電有限責任公司 (China Power Xiejiaji Photovoltaic Power Generation Company Limited*)	100%	Directly
2	新泰中電光伏發電有限公司 (Xintai China Power Photovoltaic Power Generation Company Limited*)	100%	Directly
3	中電（朝陽）新能源有限公司 (China Power (Chaoyang) New Energy Company Limited*)	100%	Directly
4	浠水智慧新能源有限公司 (Xishui Intelligent New Energy Company Limited*)	100%	Directly
5	河南新希望新能源有限公司 (Henan New Hope New Energy Company Limited*)	60%	Directly
6	沽源縣光晟光伏發電有限公司 (Guyuan County Guangcheng Photovoltaic Power Generation Company Limited*)	100%	Indirectly

The following diagrams illustrate the shareholding structure of Xinyuan Green Power as at the date of this announcement and immediately after the completion of the Capital Reduction:

As at the date of this announcement



Immediately after the completion of the Capital Reduction



Set out below is the audited consolidated financial information of Xinyuan Green Power, prepared in accordance with China Accounting Standards for Business Enterprises, for the two years ended 31 December 2023 and 2024, as well as the four months ended 30 April 2025:

	For the year ended 31 December 2023	For the year ended 31 December 2024	For the four months ended 30 April 2025
	(RMB'000)	(RMB'000)	(RMB'000)
	Audited	Audited	Audited
Net profit before tax	297,866	310,008	84,381
Net profit after tax	265,960	241,245	64,080

The audited net assets of Xinyuan Green Power as at 31 December 2023, 31 December 2024 and 30 April 2025 were approximately RMB4.10 billion, RMB4.09 billion, and RMB4.16 billion, respectively.

EXPERTS AND CONSENTS

The following are the qualifications of the professional advisers which have given opinions or advice set out in the appendices to this announcement:

Name	**Qualifications**
Shanghai Lixin	a qualified asset appraiser in the PRC
Zero2IPO Capital Limited	a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
Ernst & Young	certified public accountants

As at the date of this announcement, all of the above experts:

(i) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group; and

(ii) had given and had not withdrawn their written consents to the publication of this announcement with the inclusions of their reports, opinions or statements (as the case may be) as set out in the appendices to this announcement and references to their name in the form and context in which they are included.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, all the above experts are third parties independent of the Company and its connected persons.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"Capital Injection"	the capital injection of RMB2,000,000,000 into Xinyuan Green Power contemplated under the Capital Injection Agreements (please refer to the Company's announcement dated 3 January 2023 for details)
"Capital Injection Agreement"	the capital injection agreement dated 31 December 2022, entered into between the Company, CCB Investment and Xinyuan Green Power pursuant to which the parties agreed to the Capital Injection
"Capital Injection Agreements"	the Capital Injection Agreement and the Cooperation Agreement, collectively
"Capital Reduction"	the directed capital reduction of the registered capital of Xinyuan Green Power at the consideration of RMB 2,005,973,156
"Capital Reduction Agreement"	the capital reduction agreement dated 12 February 2026, entered into among the Company, CCB Investment and Xinyuan Green Power in relation to the Capital Reduction
"CCB Investment"	CCB Financial Asset Investment Company Limited* (建信金融資產投資有限公司), a company incorporated in the PRC with limited liability
"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
"Cooperation Agreement"	the cooperation agreement dated 31 December 2022, entered into between the Company, CCB Investment and Xinyuan Green Power in relation to the Capital Injection
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"Haiyang New Energy"	SPIC (Haiyang) New Energy Development Co., Ltd.* (國電投（海陽）新能源發展有限公司), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company owned as to approximately 53.50% by the Company and 46.50% by CCB Investment

"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
"PRC" or "China"	the People's Republic of China
"Repurchase Option"	the option granted to the Company under the Cooperation Agreement to repurchase the equity interest held by CCB Investment
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Lixin"	Shanghai Lixin Asset Appraisal Co. Ltd.* (上海立信資產評估有限公司), an independent and qualified PRC appraiser
"SPIC"	State Power Investment Corporation Limited* (國家電力投資集團有限公司), 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
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Underlying Project Companies"	the subsidiary project companies held by Xinyuan Green Power, as outlined in the section titled "INFORMATION OF XINYUAN GREEN POWER" above
"Valuation"	the valuation of Xinyuan Green Power as at the Valuation Date as set out in the relevant Valuation Reports
"Valuation Date"	30 April 2025, the date on which the appraised value of Xinyuan Green Power is determined as set out in the Valuation Reports
"Valuation Reports"	the valuation reports prepared by Shanghai Lixin in relation to Xinyuan Green Power and its Underlying Project Companies, all dated 22 August 2025
"Xinyuan Green Power"	Xinyuan Green Power (Beijing) Co., Ltd.* (新源綠能電力（北京）有限公司), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of the Company owned as to approximately 54.56% by the Company and 45.44% by CCB Investment
"Xinyuan Green Power Group"	Xinyuan Green Power and its subsidiaries from time to time

* *English or Chinese translation, as the case may be, is for identification only*

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.89 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
GUI Xude
Chairman

Hong Kong, 12 February 2026

As at the date of this announcement, the directors of the Company are: executive directors GUI Xude 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.

APPENDIX I: SUMMARY OF VALUATION REPORTS

Set out below is a summary of the Valuation Reports containing the asset appraisals of Xinyuan Green Power. For the purpose of complying with Rule 14.60A of the Listing Rules, the principal assumptions of the income approach valuation with discounted cash flow method (which constituted a profit forecast under Rule 14.61 of the Listing Rules) set out in the Valuation Reports in respect of the Underlying Project Companies of Xinyuan Green Power are set out below.

VALUATION METHODOLOGIES

Under applicable standards, enterprise valuation can be performed using three basic approaches: the income approach, the market approach, and the cost (asset-based) approach. Their respective applicability is as follows:

The market approach refers to a valuation methodology that estimates the value of an asset by making a direct comparison or analogy with recent transaction prices of identical or similar assets in the market. The fundamental premise for adopting the market approach is that there must be an open and active market for comparable references, and that necessary information relating to such transactions is obtainable.

The income approach refers to a valuation methodology that determines the value of an asset by estimating the present value of its expected future economic benefits. The basic principle of the income approach is that a rational purchaser would not pay more for an asset than the future returns it is expected to generate. The Income Approach is applicable when the future economic benefits of the subject asset can be reasonably forecast and measured in monetary terms, when the risks associated with such expected returns can be quantified, and when the duration of the returns can be determined or reasonably estimated.

The cost (asset-based approach) approach is based on the balance sheet of an enterprise. It involves assessing each identifiable asset and liability of the subject entity at its fair value and then algebraically aggregating such values to arrive at the total value, which is deemed to represent the overall market value of the enterprise. The key to properly applying the asset-based approach lies in assigning a reasonable value to each identifiable asset and liability based on its contribution to the overall value of the enterprise.

The three fundamental approaches measure asset value from different perspectives, and their independent existence demonstrates that disparities may arise among them. The underlying assumptions of the three approaches are not identical, and therefore the results obtained from each approach may differ. The choice of valuation approach(es) depends on various factors, including the purpose of the valuation, the nature of the subject asset, market conditions, and the availability of relevant data.

This valuation concerns the overall value of the appraised enterprise (Xinyuan Green Power). As there are currently few publicly available comparable transactions involving similar enterprises in the domestic market, and even where such cases exist, the background information and comparable factors relating to these transactions are difficult to obtain, it is hard to quantify the impact of such comparable factors on enterprise value. At the same time, it is also difficult to identify information on comparable enterprises in the capital market that are similar to the appraised entity in terms of asset size and structure, business scope, and profitability. Accordingly, the market approach is not applicable to this valuation.

As the appraised entity is a holding platform without any substantive business operations, the income approach is not applicable.

The appraised entity can provide, and the valuer can obtain from external sources, the data required for the asset-based approach. A comprehensive inspection and valuation of the assets and liabilities of the appraised entity can therefore be conducted. Accordingly, the asset-based approach is applicable to this valuation.

Based on the above applicability analysis and in accordance with the requirements of the valuation standards, and taking into account the specific circumstances of the appraised entity, the asset-based approach is adopted for determining the value of the appraised entity.

However, in respect of the long-term equity investments (the Underlying Project Companies) held by Xinyuan Green Power, the factors affecting the choice of valuation approach are:

(i) As long-term equity investments represent interests held in other enterprises, the valuation of such investments primarily involves assessing the value of the underlying equity interest they represent. For the purpose of this valuation, the value of the long-term equity investment is determined by multiplying the net asset value of the investee enterprises, as assessed on an overall basis, by the relevant equity interest percentage.

(ii) Given that the investee enterprises are operating power plants under normal operating conditions and their future annual operating results and associated risks can be reasonably quantified, the income approach is applicable. In addition, as comparable transaction cases are available in the public market, the market approach is also applicable.

(iii) When conducting a market approach valuation, although the valuer makes necessary adjustments to the appraised entity and comparable transactions, there remains a risk that the valuation results may deviate significantly from the actual enterprise value due to uncertainties or unadjustable factors unique to the comparable transactions that the valuer may not be aware of.

(iv) The valuer conducts an analysis of the preliminary valuation results under the respective approaches. Having taken into account the reasonableness of different valuation methods and preliminary valuation results, as well as the quality and sufficiency of the information used, the income approach is ultimately adopted as the final basis for the valuation conclusion.

VALUATION ASSUMPTIONS

A. Underlying Assumptions

1. Going-concern assumption

   That is, after the valuation purpose is realised, the appraised entity will continue to be used in accordance with the original purpose and continue to produce the original products or similar products.

2. Open market assumption

   That is, it is assumed that assets can be bought and sold freely in a fully competitive market, and their price depends on the value judgment of independent buyers and sellers under the supply condition of a certain market.

   An open market is a fully competitive market with many buyers and sellers. In this market, the status of buyers and sellers is equal, and each has the opportunity and time to obtain sufficient market information. The trading behaviour of both buyers and sellers is carried out voluntarily and rationally, rather than under compulsory or restricted conditions.

3. Transaction assumption

   The source of value of any asset cannot be separated from the transaction. No matter whether the appraised entity is involved in transaction or not in the economic activities related to the valuation purpose, it is assumed that the appraised entity is in the process of transaction, and the valuer values it according to the simulated market such as the transaction conditions of the assets.

B. General Assumptions

1. The industry of the appraised entity maintains a stable development trend, and the current national, local laws, regulations, systems, socio-political and economic policies that it follows have not changed significantly.

2. No impact from inflation on the valuation results.

3. Interest rates and exchange rates remain at their current level without material changes.

4. No material adverse impact caused by any force majeure or unforeseeable factors beyond human control.

C. Special Assumptions

(I) Special Assumptions applicable to all Underlying Project Companies

1. …… The assets of the appraised entity will not change their purpose in use after the Valuation Date, and will continue to be used during the limited operation period of the project.

2. …… The current and future operators of the appraised entity are responsible, and the management of the entity can steadily advance the development plan of the entity, and exert best efforts to realise the expected operating situation.

3. …… The appraised entity complies with relevant national laws and regulations, and there will be no significant violations affecting the development and revenue realisation of the entity.

4. …… The accounting policies adopted in the historical financial information provided by the appraised entity and those adopted in preparing the income forecasts are, in all material respects, consistent with each other.

5. …… The appraised entity's annual revenue and expenditure cash flows are evenly distributed throughout the year.

6. …… It is assumed that upon expiry of the leased land term, the lease can be renewed unconditionally until the end of the power station's operating period, and the annual rental will remain unchanged.

7. …… It is assumed that the preferential income tax policies currently enjoyed by the appraised entity applies during the preferential period, and upon expiry of such period, forecasts are made based on the normal tax rate.

8. …… The appraised entity expects that transaction tariffs in future years will generally remain at the 2024 or 2025 level. It is assumed that future transaction tariffs will be broadly consistent with the entity's expectations, and forecasts are prepared on this basis.

9. …… Considering the industry's continuous improvement in curtailment and consumption in recent years, it is assumed that the curtailment rate will decline year-by-year starting from 2026, and from 2030 onwards, the curtailment rate will remain at the 2029 level. It is assumed that the curtailment rate for 2025 and future years will be broadly consistent with the entity's expectations, and forecasts are prepared on this basis.

(II) Special Assumptions applicable to China Power Xiejiaji Photovoltaic Power Generation Company Limited*

1. ····· The wind power project operated by the appraised entity has been included in the national subsidy catalogue as at the Valuation Date and has passed the compliance checklist review. For the purpose of this valuation, national subsidy electricity charges are forecast on the basis that from May to December 2025 and throughout 2026, payment will be deferred by three years, and from 2027 onwards, payment will be deferred by two years.

(III) Special Assumptions applicable to Henan New Hope New Energy Company Limited*

1. In view of the current delays in subsidy payments in the new energy sector and with reference to the actual settlement situation, it is assumed that subsidies for this project will be settled with a four-year deferral for the period from May to December 2025, a three-year deferral for 2026, and a two-year deferral for 2027 and thereafter.

2. ····· As at the Valuation Date, the wind power project operated by the appraised entity has been included in the national subsidy catalogue but has not yet passed the compliance checklist review. The appraised entity expects to pass the compliance checklist review in 2026. It is assumed that the project will pass the compliance checklist review in 2026, and forecasts are prepared on this basis.

KEY VALUATION INPUTS: VALUATION OF XINYUAN GREEN POWER

Under the asset-based approach, the appraised value of the total equity of Xinyuan Green Power as at the Valuation Date is the sum of the appraised value of current assets and the appraised value of non-current assets, minus the total liabilities. Set out below are the key valuation inputs:

1. Current assets

   The current assets of the appraised entity mainly comprise cash, accounts receivable (including other receivables) and other current assets, which are valued based on the verified book values.

2. Long-term equity investments (the Underlying Project Companies)

   For the purpose of the valuation, long-term equity investments are assessed by multiplying the net assets of the investee enterprise, as determined through an overall valuation, by the shareholding percentage.

   Each of the investee enterprise is currently operating under normal power station conditions, and its future operating income and risks can be reasonably quantified; therefore, the income approach is adopted for the valuation. For key valuation assumptions and inputs related to the income approach, please refer to the section headed "**KEY VALUATION INPUTS: VALUATION OF UNDERLYING PROJECT COMPANIES**" below for details.

3. Liabilities

   All liabilities of the appraised entity are current liabilities, including taxes payable and other payables. The valuation of liabilities is based on the actual liabilities to be borne by each enterprise as at the Valuation Date.

ANALYSIS OF THE REASONS OF THE DIFFERENCE BETWEEN APPRAISED VALUE AND BOOK VALUE OF XINYUAN GREEN POWER

As of the Valuation Date, the appraised value of the entire equity interest of Xinyuan Green Power was approximately RMB4,414.55 million, and the net assets was approximately RMB4,180.29 million, representing an appreciation amount of approximately RMB234.26 million. The increase was primarily attributable to the appreciation in long-term equity investments and the following reasons.

Certain projects of the Underlying Project Companies were completed in earlier years, enabling them to benefit from higher electricity prices and improved energy conversion efficiency. As a result, the impact of national policy support for the new energy sector has been reflected in the income approach to corporate valuation. Additionally, certain Underlying Project Companies have actively implemented cost reduction and efficiency improvement initiatives, leading to lower operating costs and increased value.

KEY VALUATION INPUTS: VALUATION OF UNDERLYING PROJECT COMPANIES

The Underlying Project Companies are the long-term equity investments of Xinyuan Green Power, and such entities are appraised using the income approach.

The income approach appraisal adopts the discounted cash flow method, and the cash flow selected is the free cash flow of the enterprise, so as to indirectly obtain the value of the entire shareholders' equity through the appraisal of the enterprise value as a whole.

The total shareholders' equity under the present appraisal is calculated by adding together the discounted value of the enterprise's total operating assets, **plus surplus assets, non-operating assets, and minus interest-bearing liabilities**. The value of the enterprise's total operating assets is based on the total net free cash flow of the enterprise for a number of years in the future, discounted by an appropriate discount rate. Set out below are the key valuation inputs:

Determining the projected income

The free cash flow of the enterprise is used in the present appraisal as a quantitative indicator of expected earnings of the enterprise. The formula is as follows:

The free cash flow of the enterprise = Net profit after tax + depreciation and amortization + interest expense (after deducting tax effects) – capital expenditure – changes in net working capital

(I) Forecast of operating income

Operating income is mainly derived from power generation income, which is forecasted based on the following factors.

1. Determination of power generation hours

For the purpose of the present appraisal, the power generation hours are determined with reference to historical annual power generation hours or the expected power generation hours for 2025.

2. Curtailment rate

The curtailment rate for future years will be determined based on the curtailment situation in 2025 and is expected to decrease gradually, reaching a stable level by 2030. It is assumed that the curtailment rate in 2025 and the curtailment rates for future years will be largely consistent with the company's expectations, and this will be used to make forecasts for future years.

3. Attenuation rate

For wind power projects, equivalent generation hours are adopted without separately considering attenuation. For photovoltaic projects, the attenuation rate is determined based on data disclosed in each project's feasibility study report.

4. Auxiliary consumption rate

The auxiliary consumption rate is determined with reference to historical annual auxiliary consumption rate ratio.

5. On-grid electricity

On-grid electricity = actual installed capacity × average power generation hours × (1 - auxiliary consumption rate)

6. On-grid tariff

The present appraisal uses the average on-grid tariff from January to October 2025 or the average on-grid tariff for the year 2024 to predict the future on-grid tariff for the appraised entities.

(II) Forecast of operating costs

Based on the historical operating conditions of the enterprises, the forecasted operating costs of the appraised entity primarily consist of depreciation and amortization, insurance expenses, operation commissioning fees, material costs, repair expenses, land lease fees, safety production expenses, and other expenses.

Depreciation and amortization are projected with reference to the fixed assets and intangible assets as of the Valuation Date, in conjunction with the enterprise's accounting policies on depreciation and amortization.

Insurance expenses are projected with reference to the amounts specified in the insurance contracts.

Operation commissioning fees are projected with reference to the contractual amounts specified in the executed entrusted operation agreements, with a 2% annual increase assumed for periods beyond the contract term.

Material costs and repair expenses are projected with reference to the enterprise's historical annual level, with a 2% annual increase factored into future years.

Land lease expenses are projected with reference to the terms specified in the executed lease contracts.

Safety production expenses are projected with reference to historical actual amounts incurred by the enterprise.

Other expenses are projected with reference to the enterprise's historical annual level.

(III) Forecast of enterprise income tax

Beginning with the tax year in which the underlying project companies generate their first operating income, enterprise income tax will be exempt for the first three years (with a tax rate of 0%) and reduced by half during the fourth to sixth years (with a tax rate of 12.5%). Thereafter, the enterprise income tax will be payable at the applicable tax rate of 25%.

(IV) Forecast of taxes and surcharges

The appraised entity is subject to taxes and surcharges including VAT surcharges (VAT rate of 13%, urban construction tax at 5%, education surcharge at 3%, and local education surcharge at 2%), as well as stamp duty. Different forecasting approaches are adopted for taxes of different nature:

Stamp duty is projected at 0.03% of sales revenue and procurement contract amounts, in accordance with the tax policies implemented by the enterprise.

For VAT surcharges, the output and input VAT amounts are estimated, and the payable VAT amounts are calculated, with reference to the forecasted operating revenue, operating costs, and capital expenditures of the appraised entity for the future years. VAT surcharges are then forecasted by applying the respective surcharge rates.

(V) Forecast of capital expenditure

As the appraised entity currently has no new technology upgrade projects and no detailed plans or implementation schemes for business expansion, no additional capital expenditure is considered.

(VI) Forecast of financial expense

Financial expenses consist of interest income, interest expense, and handling fees. The primary financial expense for an appraised entity is loan interest expense. Since the free cash flow model used in the appraisal does not factor in interest expense, it has been excluded for simplification.

(VII) Forecast of working capital

Working capital refers to the difference between an enterprise's operating current assets and current liabilities, and reflects whether the enterprise will need to inject additional cash for its future operations. Given that photovoltaic and wind power generation enterprises have relatively simple operating models, only the main factors such as the minimum cash balance required for normal operations, trade receivables and trade payables need to be considered.

For the minimum cash balance, the calculation is based on cash outflows such as costs, taxes and expenses, with the amount determined by one month of cash outflows. Trade payables mainly comprise taxes payable and operating costs payable, and are estimated based on a certain proportion of cash outflows. Trade receivables include benchmark tariff receivables and national subsidy tariff receivables. Benchmark tariff receivables are calculated based on a turnover period of one month, while national subsidy tariff receivables are estimated according to the expected collection period of the subsidies.

Forecast period

The appraised entity operates projects in relation to wind power and photovoltaic power generation. According to the design specifications, the operational lifespan of the wind power projects is 20 years, while that of the photovoltaic power projects is 25 years. This appraisal adopts a finite forecast period starting from the Valuation Date to the end of the operation period of each project.

Determination of discount rate

This appraisal adopts the free cash flow of the appraised entity, and the discount rate is the weighted average cost of capital (WACC) of the corresponding standard. The WACC of the respective Underlying Project Companies is in the range of 6.07% to 6.84%, which is calculated based on the following formula:

$$WACC=R_e\times\frac{E}{D+E}+R_d\times(1-T)\times\frac{D}{D+E}$$

In which: WACC: Weighted average cost of capital

R_e: Expected rate of return on equity

R_d: Expected rate of return on debt

E: Equity value

D: Debt value

T: Income tax rate

In which, the expected rate of return on equity (R_e) is calculated by adopting the Capital Asset Pricing Model (CAPM), with the formula as follows:

$$R_e=R_f+\beta\times(R_m-R_f)+\varepsilon$$

In which: R_f: Risk-free rate

β: Adjustment factor for systemic risk of equity

R_m: Rate of market return

$(R_m - R_f)$: Market risk premium

ε : Specific risk premium rate

1. …… Determination of expected rate of return on equity (R_e)

(1) ····· Determination of risk-free rate (R_f)

For this appraisal, the yield to maturity for Chinese treasury bonds with the remaining term of 10 years was selected as the risk-free rate, and is updated on a monthly basis. The data source is the China Government Bond Yield-to-Maturity Curve published online by the China Appraisal Society, based on information provided by the China Central Depository & Clearing Co., Ltd. (CCDC). The average yield to maturity of the 10-year bonds announced for the month of the Valuation Date was used in the calculation. Accordingly, the risk-free rate (R_f)) in the Chinese market as of the Valuation Date was 1.67%.

(2) ····· Determination of market risk premium $(R_m - R_f)$

Given that the appraised entity operates within Mainland China, historical market risk premium data from China's securities market indices was used for the calculation.

This appraisal utilized the information from iFinD（同花順）, a financial data terminal, to determine the average closing level of the CSI 300 Index for the year based on the monthly average of its closing points over a 12-month period. The rate of market return (R_m) for the year was calculated using either the arithmetic or geometric average return from the index's base date to the average closing level for the year. The market risk premium for the year was then derived by comparing the rate of market return with the corresponding risk-free rate.

Considering that geometric average returns better reflect the long-term trend of returns in China's securities market, the geometric average return was adopted to estimate the annual market risk premiums over the most recent 10 years. The average of these processed and analysed values was used as the market risk premium $(R_m - R_f)$ for this appraisal.

Based on the above calculation, the market risk premium $(R_m - R_f)$ adopted in this appraisal is 6.25%.

(3) ····· Determination of adjustment factor for systemic risk of equity (β)

The adjustment factor for systemic risk of equity (β) measures the degree of risk premium of the target enterprise relative to the overall capital market return. It also serves as an indicator of the extent to which an individual stock is affected by the overall economic environment, including price fluctuations of stock market. In forming the pool of comparable companies, publicly listed companies operating in the same industry or subject to similar economic factors as the appraised company are typically selected as comparable, and those located in the same country or region as the appraised company are chosen as comparable whenever possible. Five publicly listed companies in similar industries were selected. Their adjusted β coefficients were obtained via Wind Information (萬得資訊), a financial data terminal. The β coefficients including financial leverage of the comparable companies were then converted into β coefficients excluding financial leverage.

The formula used is as follows:

$$\beta \text{ after excluding financial leverage} = \text{Adjusted } \beta / [1 + (1 - T) \times D/E]$$

The specific calculations are as follows:

No.	Name	**β coefficient**	Year-end income tax rate	Interest-bearing debt / equity value (%)	**β coefficient after excluding financial leverage**	Stock code
1	Solar Energy	1.0885	25%	127.7436	0.5559	000591.SZ
2	Xinneng Tech	0.8169	15%	46.4543	0.5857	603105.SH
3	Yin Xing Energy	0.8991	15%	45.8290	0.6470	000862.SZ
4	Jiangsu New Energy	1.0258	25%	61.1534	0.7033	603693.SH
5	Zhongmin Energy	0.7386	25%	21.6799	0.6353	600163.SH
	Arithmetic average			60.57	0.6254	

The average financial leverage (D/E) of the comparable companies is 60.57%, and the average β after excluding financial leverage is 0.6254.

(4) ····· Determination of specific risk premium rate (ε)

Based on the current operating conditions of the appraised entities, the specific risk premium rates (ε) of the respective companies in the range of 0.75% to 2%.

2. ······ Determination of expected rate of return on debt (R_d)

The expected rate of return on debt represents the cost of capital for the company's debt financing. For the forecast period of this appraisal, the expected rate of return on debt is determined using the 5-year Loan Prime Rate (LPR) as of the Valuation Date, which is 3.60%.

Determination of the value of surplus assets and non-operating assets

Surplus assets refer to assets exceeding the operational needs of the company, while non-operating assets refer to those not directly related to the company's operations.

Determination of the value of interest-bearing liabilities

Interest-bearing debt refers to debt for which interest is payable on the balance sheet as of the Valuation Date.

Sensitivity analysis

No sensitivity analysis has been undertaken on the valuation of the Underlying Project Companies.

APPENDIX II: LETTER FROM ZERO2IPO CAPITAL LIMITED

The following is the full text of the letter from the Zero2IPO Capital Limited, the financial adviser to the Company, for the purpose of, among other things, incorporation into this announcement.

12 February 2026

The Board of Directors
China Power International Development Limited
Suite 6301, 63/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Dear Sir/ Madam,

We refer to the valuation report (the "**Valuation Report**") dated 22 August 2025 and prepared by Shanghai Lixin Appraisal Co., Ltd. (上海立信資產評估有限公司) (the "**Valuer**") in relation to the valuation of the underlying project companies held by Xinyuan Green Power (Beijing) Co., Ltd. (新源綠能電力(北京)有限公司), including China Power (Chaoyang) New Energy Company Limited (中電(朝陽)新能源有限公司), Guyuan County Guangcheng Photovoltaic Power Generation Company Limited (沽源縣光晟光伏發電有限公司), Xintai China Power Photovoltaic Power Generation Company Limited (新泰中電光伏發電有限公司), Xishui Intelligent New Energy Company Limited (浠水智慧新能源有限公司), China Power Xiejiaji Photovoltaic Power Generation Company Limited (中電淮南謝家集光伏發電有限責任公司), Henan New Hope New Energy Company Limited (河南新希望新能源有限公司) as at 30 April 2025 (the "**Valuation**"). The Valuation was considered as part of consideration in the announcement expected to be issued on 12 February 2026 of China Power International Development Limited (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

According to the Valuation Report, the Valuer considered the adoption of the income approach in arriving at the Valuation. Under the income approach, the Valuer adopted the discounted cash flow method. We note that the Valuation, which has been arrived based on discounted cash flow method, is regarded as profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules.

We have discussed with the management of the Company and the Valuer regarding the bases and assumptions (the "**Assumptions**") of the Valuation Report, and have reviewed the report dated 12 February 2026 issued by Ernst & Young, the reporting accountants of the Company. Ernst & Young is of the opinion that, so far as the arithmetical accuracy of the calculations of the Profit Forecast is concerned, the Profit Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

On the basis of the foregoing and the calculations reviewed by Ernst & Young, we are of the opinion that the Profit Forecast underlying the Valuation, for which the Directors are jointly and severally responsible, has been made after due and care enquiry.

Yours faithfully,

For and on behalf of
Zero2IPO Capital Limited

Wang Qiong
Executive Director

APPENDIX III: REPORT FROM ERNST & YOUNG

The following is the full text of the report from Ernst & Young, for the purpose of, among other things, incorporation into this announcement.

12 February 2026

The Board of Directors
China Power International Development Limited
Suite 6301, 63/F, Central Plaza
18 Harbour Road, Wanchai, Hong Kong

REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF EQUITY INTERESTS IN THE UNDERLYING PROJECT COMPANIES

Dear Sirs,

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "**Forecast**") on which the valuation prepared by Shanghai Lixin Appraisal Co., Ltd. in respect of equity interests in the project companies, as set out in the Appendix as at 30 April 2025 is based. The valuation is set out in the announcement of China Power International Development Limited (the "**Company**") dated 12 February 2026 (the "**Announcement**") in connection with the proposed capital reduction of Xinyuan Green Power (Beijing) Co., Ltd., a subsidiary of the Company. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' responsibilities

The directors of the Company (the "**Directors**") are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the "**Assumptions**"), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The key Assumptions are set out in Appendix I (Summary of Valuation Reports) to the Announcement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Underlying Project Companies. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under Rule 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Certified Public Accountants
Hong Kong

Appendix: List of Underlying Project Companies

1. China Power Xiejiaji Photovoltaic Power Generation Company Limited (中電淮南謝家集光伏發電有限責任公司)
2. Xintai China Power Photovoltaic Power Generation Company Limited (新泰中電光伏發電有限公司)
3. China Power (Chaoyang) New Energy Company Limited (中電（朝陽）新能源有限公司)
4. Xishui Intelligent New Energy Company Limited (浠水智慧新能源有限公司)
5. Henan New Hope New Energy Company Limited (河南新希望新能源有限公司)
6. Guyuan County Guangcheng Photovoltaic Power Generation Company Limited (沽源縣光晟光伏發電有限公司)