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)

DISCLOSABLE TRANSACTION

Disposal of Equity Interest in an Associate

Reference is made to the announcement of the Company dated 16 July 2026 in relation to the potential disposal of the Company's 24.8726% equity interest in Qiyuanxin Power, an associate of the Company, by way of Public Tender conducted on the SUAEE.

On 18 August 2026, following the expiry of the Pubic Tender period, the Company entered into the Equity Transaction Contract with the Transferee, pursuant to which the Company agreed to sell, and the Transferee agreed to acquire, the Target Interest for a consideration of RMB2,555,659,700 (equivalent to approximately HK$2,971,697,000). Upon completion of the Disposal, the Company will cease to hold any equity interest in Qiyuanxin Power.

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Disposal contemplated under the Equity Transaction Contract exceeds 5% but is less than 25%, the Disposal therefore constitutes a disclosable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 16 July 2026 in relation to the potential disposal of the Company's 24.8726% equity interest in Qiyuanxin Power, an associate of the Company, by way of Public Tender conducted on the SUAEE.

The Board announces that, on 18 August 2026, following the expiry of the Public Tender period and in accordance with the applicable rules of the SUAEE, the Company entered into the Equity Transaction Contract with the Transferee, the successful bidder under the Public Tender. Pursuant to the Contract, the Company agreed to sell, and the Transferee agreed to acquire, the Target Interest.

THE EQUITY TRANSACTION CONTRACT

Date

18 August 2026

Parties

(i) The Company, the Transferor; and

(ii) CATL, the Transferee.

Assets to be disposed of

Pursuant to the Equity Transaction Contract, the Company agreed to sell, and Transferee agreed to acquire 24.8726% equity interest in Qiyuanxin Power.

The Transferor and the Transferee have mutually agreed that the sale of the Target Company shall be executed on an "as-is" basis. Before execution of the Equity Transaction Contract, the Transferee has acknowledged and accepted the source, defects and risks of the Target Company as stated or disclosed by the Transferor through the Public Tender notice announced by the SUAEE.

Qiyuanxin Power is a company established in the PRC with limited liability in October 2020. It is principally engaged in construction and operation of heavy-duty electric vehicle battery charging and battery swapping stations, sale and leasing of vehicle batteries and related equipment, and provision of digital platform services supporting the battery swap ecosystem in the PRC. As at the date of this announcement, Qiyuanxin Power has a registered capital and paid-up capital of RMB441,824,253. The Company holds a 24.8726% equity interest in Qiyuanxin Power, which is accounted for as an associate in the consolidated financial statements of the Group. Details of the financial information of Qiyuanxin Power are set out in the section headed "INFORMATION OF THE TARGET COMPANY" below.

Consideration and payment terms

The Consideration for the Disposal is RMB2,555,659,700, being the successful bid price offered by the Transferee.

The Consideration shall be paid by the Transferee to the SUAEE within five (5) working days after the date of the Equity Transaction Contract.

In accordance with the applicable rules of the SUAEE, the Transferee paid a transaction security deposit of RMB766,690,000 upon bid submission, which shall be applied toward the Consideration. The remaining balance of RMB1,788,969,700 (representing the Consideration less the transaction security deposit) shall be paid concurrently to satisfy the full payment obligation.

Upon receipt in full of the Consideration and the relevant service fees, the SUAEE will issue the equity transfer certificate.

The SUAEE shall, after issuing the equity transfer certificate and receiving an application notice from the Company (after completion of the Disposal), within three (3) working days release the entire proceeds of the Consideration to the bank account designated by the Company.

Arrangements related to profits and losses

The Transferor and the Transferee agreed that any profit or loss of Qiyuanxin Power arising during the period from the Valuation Benchmark Date to the date of completion of the equity change registration procedures shall, upon completion of the Disposal, be shared or borne by the Transferee according to the acquired Target Interest.

Completion of the Disposal

Completion of the Disposal is conditional upon obtaining and completion of the following necessary authorization, approval and procedures:

(i) the approval from SAMR in relation to the Equity Transaction Contract and the transfer of Target Interest contemplated thereunder;

(ii) the issuance of the equity transfer certificate by the SUAEE; and

(iii) within ten (10) working days following the issuance of the equity transfer certificate by the SUAEE as stated in point (ii) above, to complete the industrial and commercial registration procedures for transfer of the Target Interest, including but not limited to the issuance of the capital contribution certificate, the update of the register of members and the articles of association of the Target Company, and any other applicable registration procedures for change of State-owned property rights.

The Disposal shall be deemed to be completed upon the date of completion of the industrial and commercial registration procedures for transfer of the Target Interest.

BASIS OF THE CONSIDERATION

The Consideration is equal to the Reserve Price and the successful bid submitted by the Transferee during the Public Tender. The Reserve Price was determined by the Company with reference to the following factors:

(i) the appraised value of the equity attributable to the shareholders of Qiyuanxin Power as at the Valuation Benchmark Date (30 November 2025) of RMB10,275,000,000 (the "**Valuation**"), as set out in the Valuation Report prepared by the Valuer; and

(ii) the 24.8726% equity interest in Qiyuanxin Power to be transferred pursuant to the Disposal.

In arriving at the Valuation conclusion, the Valuer considered the applicability of the income approach, the market approach and the asset-based approach, and selected the valuation methodology considered most appropriate in the circumstances.

As at the Valuation Benchmark Date, Qiyuanxin Power had cultivated an experienced management team, its own unique customer resources, business model and other business resources, the value of which could not be fully reflected under the asset-based approach. Accordingly, the asset-based approach was considered inappropriate.

As there were limited comparable transaction cases available and the necessary adjustments to such comparable transaction cases involved significant uncertainties, the market approach was also not adopted.

Given that the future income periods and income amounts of Qiyuanxin Power's principal businesses could be reasonably forecasted, the income approach was considered to provide a more reasonable estimation of the market value of the equity attributable to shareholders of Qiyuanxin Power than the other valuation methods and was therefore adopted as the final valuation methodology.

According to the Valuation Report, the appraised market value of the equity attributable to shareholders of Qiyuanxin Power as at the Valuation Benchmark Date was RMB10,275,000,000, representing an increase of RMB5,585,113,800 or a premium of approximately 119% over the book value of RMB4,689,886,200 as at the Valuation Benchmark Date. For further details of the principal Valuation assumptions and key input parameters adopted in the Valuation Report, please refer to **Appendix I** to this announcement.

As the income approach adopted in the Valuation Report is based on the discounted cash flow method, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. Accordingly, the Company is required to comply with the requirements of Rules 14.60A and 14.62 of the Listing Rules.

Zero2IPO Capital Limited, the financial adviser to the Company, has confirmed that it is satisfied that the profit forecast has been made by the Directors after due and careful enquiries. The text of the letter issued by Zero2IPO Capital Limited is set out in **Appendix II** to this announcement.

Ernst & Young, the reporting accountant of the Company, has reported on the arithmetical accuracy of the calculations of the discounted cash flow forecast underlying the Valuation Report. The text of the report issued by Ernst & Young is set out in **Appendix III** to this announcement.

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
China Alliance Appraisal Co., Ltd.	a qualified asset valuer 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.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The heavy-duty electric vehicle battery charging and battery swapping industry in the PRC has become increasingly competitive in recent years following the continued additional entry and expansion of market participants, including battery manufacturers and other enterprises across the industry value chain. Maintaining competitiveness therefore requires continuous investment in battery replacement, charging and battery swapping infrastructure and technological capabilities.

In light of the foregoing and having regard to the Group's overall business strategy and capital allocation priorities, the Disposal provides an appropriate opportunity for the Company to realize its investment in Qiyuanxin Power. The Disposal is also expected to optimize the Group's investment portfolio, strengthen its capital structure and facilitate the redeployment of financial resources to its principal power generation businesses comprising hydropower, wind power, photovoltaic power and clean thermal power, thereby supporting the Group's strategic goal of becoming a leading green and low-carbon energy supplier.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transaction Contract and the Disposal 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 Equity Transaction Contract or is required to abstain from voting on the relevant Board resolutions.

FINANCIAL IMPACT OF THE DISPOSAL

Immediately upon completion of the Disposal, Qiyuanxin Power will cease to be an associate of the Company and the Company will cease to hold any equity interest in Qiyuanxin Power.

Based on the Consideration and the carrying amount of the Company's interest in Qiyuanxin Power as at 31 December 2025 (being the balance sheet date of the latest audited consolidated financial statements of the Group), the Company expects to recognize a gain on the Disposal of approximately RMB1,375,878,700.

As the carrying amount of the Company's interest in Qiyuanxin Power may change prior to the completion of the Disposal, the actual gain or loss to be recognized by the Company will be subject to adjustment and final audit by the Company's auditor.

INTENDED USE OF PROCEEDS

The Group intends to apply the proceeds from the Disposal for future potential investments in the development of its core business operations and general working capital purposes.

INFORMATION OF THE TARGET COMPANY

Set out below is a summary of the audited consolidated financial information of Qiyuanxin Power for the latest two financial years ended 31 December 2025 and 2024 prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC:

	As at 31 December 2025	As at 31 December 2024
	(RMB'000)	(RMB'000)
Net Assets	4,770,977	4,227,689
Equity attributable to shareholders	4,712,637	4,165,037

	For the year ended 31 December 2025	For the year ended 31 December 2024
	(RMB'000)	(RMB'000)
Net profit before tax	431,186	582,037
Net profit after tax	356,154	459,284

INFORMATION OF TRANSFEROR 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 Chinese Mainland, including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and provision of energy storage, integrated intelligent energy solution services, environmental protection and pollution control businesses. Its businesses are located in various major power grid regions of China.

SPIC, the ultimate controlling shareholder of the Company, is an investment holding company principally engaged in businesses that cover various sectors, including power, coal, aluminum, logistics, finance, environmental protection and high-tech industries in the PRC and abroad. SPIC, together with its subsidiaries, is an integrated energy group which simultaneously owns thermal power, hydropower, nuclear power and renewable energy resources in the PRC.

INFORMATION OF TRANSFEREE

CATL is a company incorporated in December 2011 in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange and the Stock Exchange, and is principally engaged in research, development, manufacture and sale of electric vehicle and energy storage batteries. CATL and its ultimate controlling party are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Disposal contemplated under the Equity Transaction Contract exceeds 5% but is less than 25%, the Disposal therefore constitutes a disclosable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 14 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
"CATL" or "Transferee"	Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), a company incorporated in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange and the Stock Exchange, is principally engaged in research, development, manufacture and sale of electric vehicle and energy storage batteries. The transferee was the sole qualified bidder that submitted a bid in the Public Tender and in accordance with the tender procedures, was selected as the transferee of the Target Interest
"Company" or "Transferor"	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
"Consideration"	the consideration for transfer of the Target Interest payable by the Transferee under the Equity Transaction Contract
"Director(s)"	director(s) of the Company
"Disposal"	the transfer of the Target Interest by the Company to the Transferee pursuant to the Equity Transaction Contract
"Equity Transaction Contract" or "Contract"	the contract dated 18 August 2026 entered into between the Transferor and Transferee in connection with the transfer of the Target Interest pursuant to the Public Tender conducted on the SUAEE
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China

"Public Tender"	the public tender process conducted through the SUAEE for inviting offers to acquire the Target Interest
"Qiyuanxin Power" or "Target Company"	Shanghai Qiyuanxin Power Technology Co., Ltd.* (上海啟源芯動力科技有限公司), a company incorporated in the PRC with limited liability, which the Company holds a 24.8726% equity interest and accounted for as an associate of the Company as at the date of this announcement
"Reserve Price"	the minimum price for the transfer of the Target Interest under the Public Tender, which is approximately RMB2,555,659,700, representing the percentage value of the Target Interest based on the Valuation
"RMB"	Renminbi, the lawful currency of the PRC
"SAMR"	The State Administration for Market Regulation
"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
"SUAEE"	Shanghai United Assets and Equity Exchange (上海聯合產權交易所)
"Target Interest"	24.8726% equity interest in Qiyuanxin Power
"Valuation"	the appraised value of the equity attributable to shareholders of Qiyuanxin Power as at the Valuation Benchmark Date of RMB10,275,000,000, as set out in the Valuation Report
"Valuation Benchmark Date"	30 November 2025, the date on which the value of the equity attributable to shareholders of Qiyuanxin Power was appraised as set out in the Valuation Report
"Valuation Report"	the valuation report prepared by the Valuer in relation to the appraised value of the equity attributable to shareholders of Qiyuanxin Power as of the Valuation Benchmark Date
"Valuer"	China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司), an independent and qualified asset valuer in the PRC

* *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 RMB0.86 to HK$1.00. The translation shall not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate, or at all.

By Order of the Board
China Power International Development Limited
GUI Xude
Chairman

Hong Kong, 18 August 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 REPORT

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

VALUATION METHODOLOGIES

Under the relevant standards, the valuation of enterprise value 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 expected future economic benefits of the appraised asset. The basic principle of the income approach is that the monetary amount that a rational purchaser is willing to pay for the acquisition of an asset would not be more than the future returns the purchased asset is expected to generate. The income approach is applicable when the future economic benefits of the appraised 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 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 appraised value to each identifiable asset and liability based on its contribution to the overall value of the enterprise.

The three basic 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 appraised asset, market conditions, and the availability of relevant information.

Based on the Valuation Report prepared by China Alliance Appraisal Co., Ltd. ("China Alliance Appraisal") with the Valuation Benchmark Date of 30 November 2025, China Alliance Appraisal ultimately adopted the income approach of valuation methodology to appraise the total equity attributable to shareholders of Qiyuanxin Power.

The reasons for not adopting asset-based approach: the core team of the appraised enterprise has years of experience in new energy business. The enterprise is a mixed-ownership enterprise jointly established by shareholders of State Power Investment Corporation Limited, its core team and industrial chain partners. The enterprise has developed its own unique business philosophy, business model and business resources. As it is difficult to determine intangible assets such as human resources and customer resources by asset-based approach, the cost approach is not applicable.

Given that the overall revenue growth of Qiyuanxin Power's principal businesses (sales of self-developed power batteries, battery leasing and battery-swap stations) is expected to stabilize, the future income periods and income amounts can be reasonably forecast.

When conducting a market approach valuation, the appraiser shall make necessary adjustments to the appraised entity and comparable transaction cases. However, 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 transaction cases that the appraiser may not be aware of. Having regard to the purpose of this valuation and the industry conditions, the income approach valuation result for the appraised entity better reflects the market perception of the value of the industry in which the appraised entity operates as at the Valuation Benchmark Date. Therefore, the income approach valuation result is adopted as the final conclusion of valuation of the shareholders' equity of the appraised entity.

VALUATION ASSUMPTIONS

A. General Assumptions

1. Open market assumption

   It is assumed that, for an asset transacted or intended to be transacted in the market, the parties to the asset transaction are equal in status, provided with the opportunity and time to obtain sufficient market information, enabling them to make rational judgments on asset functions, purposes, and transaction prices.

2. Transaction assumption

   It is assumed that assets to be appraised are already in the process of transaction, and the asset valuer appraises them in a comparable market based on the transaction conditions of assets to be appraised.

3. Going-concern assumption

   It is assumed that the appraised entity will fully comply with all relevant laws and regulations and will continue to operate in the foreseeable future.

B. Special Assumptions

1. This Valuation is conducted on the basis of the specific valuation purpose set out in this asset valuation report as its fundamental assumption.

2. This Valuation assumes that there will be no material changes in the prevailing relevant national laws and regulations, or in the national macroeconomic conditions, and that there will be no unforeseeable material changes in the external economic environment such as interest rates, taxation bases and tax rates, and policy-based levies.

3. This Valuation assumes that the current and future management of the appraised entity will perform its operational and management functions in a lawful, compliant and diligent manner, and that following the implementation of this economic activity, no circumstances will arise that would materially impair the development of the enterprise or prejudice the interests of shareholders, and that the entity will continue to maintain its current operational and management model as well as the management standards.

4. This Valuation assumes that, based on the current management practices and management standards of the appraised entity, no other factors beyond human control or unforeseeable factors will have a material adverse impact on the enterprise.

5. The relevant basic information and financial information provided by the appraised entity and the principal are true, accurate and complete.

6. The financial reports, transaction data and other information of the comparable companies relied upon by the valuer are true and reliable.

7. The scope of valuation is based solely on the valuation declaration forms provided by the principal and the appraised entity, and does not take into account the contingent assets and contingent liabilities that may exist beyond the lists provided by the principal and the appraised entity.

8. This Valuation assumes that the enterprise generates net cash flow evenly throughout the year.

Introduction to Income Approach

This Valuation adopts the discounted cash flow method under the income approach to appraise the overall enterprise value to indirectly derive the value of the entire shareholders' equity. The overall enterprise value comprises the value of operating assets generated from normal operations and the value of non-operating assets unrelated to normal operations. The value of operating assets is determined using enterprise free cash flow discounting model, which is based on the free cash flow of the enterprise over a number of future years, discounted at an appropriate discount rate and aggregated. The calculation model is as follows:

Value of the entire shareholders' equity = overall enterprise value – interest-bearing debts

1. Overall enterprise value refers to the sum of the value of the entire shareholders' equity and the interest-bearing debts. Based on the asset deployment and utilization of the appraised entity, the formula for calculating the overall enterprise value is as follows:

   Overall enterprise value = value of operating assets + surplus assets value + value of non-operating assets and liabilities

   (1) Value of Operating Assets

   Operating assets refer to the assets and liabilities related to the production and operations of the appraised entity that are reflected in the projected free cash flow of the enterprise after the Valuation Benchmark Date. The formula for calculating the value of operating assets is as follows:

$$P = \sum_{i=1}^{n} \frac{R_i}{(1+r)^i} + \frac{P_n}{(1+r)^n}$$

   Where:
   P：Value of the operating assets of enterprise as at the Valuation Benchmark Date;
   Ri：Projected free cash flow of the enterprise in year i after the Valuation Benchmark Date;
   Pn：Terminal value;
   r：Discount rate (being the weighted average cost of capital, WACC);
   n：Forecast period;
   i：Year i of the forecast period.

Determination of terminal value (Pn): the perpetual growth model is adopted for this Valuation to maintain stability after the Finite Forecast Period. The definition of the "Finite Forecast Period" is set out in the section headed "Key inputs for the valuation of operating assets – (I) Forecast period" below.

In which, the free cash flow of the enterprise is calculated based on the following formula:

The free cash flow of the enterprise = net profit before interest and after tax + depreciation and amortization – capital expenditure – increase in working capital

In which, the discount rate (weighted average cost of capital, WACC) is calculated based on the following formula:

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

Where:
R_e: Cost of equity capital;
R_d: Cost of interest-bearing debt capital;
E: Market value of equity;
D: Market value of interest-bearing debts;
T: Income tax rate.

In which, the cost of equity capital is calculated by adopting the Capital Asset Pricing Model (CAPM). The formula is as follows:

$$Re = Rf + \beta \times ERP + Rs$$

Where:
Re is the rate of return on equity;
Rf is the risk-free rate of return;
β is the risk coefficient;
ERP is the excess rate of return on market risk;
Rs is the excess rate of return on company-specific risks.

(2) Value of non-operating assets and liabilities (including surplus assets)

Non-operating assets and liabilities refer to assets and liabilities unrelated to the production and operations of the appraised entity and will not be involved in the projection of free cash flow of the enterprise after the Valuation Benchmark Date. Surplus assets refer to assets exceeding the requirements for the production and operations of the enterprise as at the Valuation Benchmark Date and will not be involved in the projection of free cash flow of the enterprise after the Valuation Benchmark Date. For non-operating assets and liabilities (including surplus assets), the cost approach is adopted for this Valuation.

Key inputs for the valuation of operating assets:

(I) Forecast period

The forecast period for this Valuation is divided into two stages: stage 1 refers to the period from 1 December 2025 to 31 December 2031 (the "Finite Forecast Period"); and stage 2 refers to the period from 1 January 2032 to perpetuity (the "Perpetual Period").

(II) Forecast of future income

The free cash flow of the enterprise = net profit + interest expenses × (1- income tax rate) + depreciation and amortization – annual capital expenditure – annual increase in working capital.

Net profit = revenue - operating costs - taxes and surcharges - selling expenses - management expenses - research and development expenses - finance costs - income tax.

Revenue mainly includes income from battery leasing, income from operation of battery swap stations, income from equipment sales and service income, which is forecasted based on the following factors:

1. Battery leasing

Income from leasing is forecasted by different battery models based on Qiyuanxin Power's future plans for its leasing business, in light of historical leasing performance.

2. Operation of battery swap stations

Based on local market conditions, combined with the status of existing battery swap stations as well as the development policies of the company, forecasts are made for standard stations, mini stations and charging stations, respectively. Tariff and service fees are calculated with reference to the fixed standards provided by the company: sales of electricity are charged at a rate of RMB0.60/kWh and battery swap service fees are charged at a rate of RMB0.42/kWh. The average load rate of charging and battery swap stations in operation is calculated based on the average load rate in 2025 and it is projected that the these stations will be able to reach their corresponding designed load rates by the end of the forecast period.

3. Sales of Equipment

Income is projected based on the actual sales in 2025. The products sold mainly include various models of CTB batteries, batteries purchased through direct procurement and different kinds of ancillary vehicle battery equipment. The product sales volume is expected to remain stable until 2029 and beyond.

4. Income from platform service fees

Qiyuanxin Power is building and operating a digitalized operation platform centred on the ecosystem of battery-swap heavy-duty truck business. The platform primarily covers cloud platforms required for the operation of battery-swap heavy-duty trucks, batteries and battery swap stations, including those in respect of Internet of Vehicles-based monitoring and dispatch, battery bank, charging and battery swap stations management and trading, and comprehensive financial services, forming an integrated cloud service ecosystem with digitalization-driven operations. Furthermore, asset operators were authorized to use the platforms, whereby they are provided with services in relation to transaction settlement for daily battery leasing and battery-swap fees, digital operation empowerment and asset management. Given that the scale of this business is relatively small, a fixed growth rate is considered in the forecast.

As income from other businesses is relatively low and has little correlation with the principal business, forecast for the future periods has not been considered in this Valuation.

(III) Forecast of operating costs

Principal business costs include equipment sales costs, battery leasing costs, battery swap station costs, and service costs.

1. Equipment sales costs

   Equipment sales costs primarily consist of the raw material procurement costs and production costs for batteries and related equipment. These are projected based on the product types of the appraised entity for the year 2025 and the corresponding unit cost of each product category.

2. Battery leasing costs

   The depreciation period for batteries is 10 years (long-life batteries). The unit cost of each battery pack includes depreciation and operating expenses.

   Pursuant to the consistent accounting policies adopted by the reference enterprises, depreciation is projected based on the actual size of fixed assets for the forecast year and provided on a straight-line basis. Annual operating expenses average RMB1,900 (tax-exclusive). Pursuant to this standard, leasing costs over the forecast period are estimated based on the projected number of battery leases.

3. Battery swapping station costs

   Various basic costs are projected based on research into different application scenarios for battery swap stations, supporting development policies and charging standards set for battery swapping services.

4. Service costs

   Service costs are projected based on the gross profit margin of service business in 2025.

(IV) Forecast of selling expenses

Selling expenses include employee compensation, travel expenses, office expenses, business entertainment expenses and others.

Labor costs are projected based on the total compensation budget of Qiyuanxin Power as at the Valuation Benchmark Date. Travel expenses, office expenses, business entertainment expenses and others are projected by referring to historical data and future plans.

(V) Forecast of administrative expenses

Administrative expenses include compensation of management personnel, office expenses, business entertainment expenses, depreciation and amortization expenses, travel expenses and IT expenses.

Labor costs are projected based on the total compensation budget of Qiyuanxin Power as at the Valuation Benchmark Date. Pursuant to the consistent accounting policies adopted by the enterprise, depreciation and amortization expenses are projected based on the actual size of fixed assets for the forecast year and provided on a straight-line basis. Office expenses, business entertainment expenses, travel expenses, IT expenses and others are forecasted by referring to historical data and the future plans of Qiyuanxin Power.

(VI) Forecast of R&D Expenses

R&D expenses include compensation of R&D personnel, depreciation and amortization, material costs and technical consulting fees.

Labor costs are projected based on the total compensation budget of Qiyuanxin Power as at the Valuation Benchmark Date. Pursuant to the consistent accounting policies adopted by the enterprise, depreciation and amortization expenses are projected based on the actual size of fixed assets for the forecast year and provided on a straight-line basis. Material costs and technical consulting fees are projected by taking into account the qualification criteria applicable to subsidiaries and future development plans.

(VII) Forecast of finance costs

Finance costs primarily consist of interest income from bank deposits, handling charges and interest expenses.

Interest expenses are closely correlated with the company's loan principal and interest rates. Therefore, future interest expenses are projected based on the loan amount for the forecast year, with reference to the loan interest rates prevailing on the Valuation Benchmark Date. Handling charges are projected by applying the ratio of handling charges to revenue recorded in 2025.

(VIII) Forecast of corporate income tax expenses

Except for Shanghai Ronghe Zhidian New Energy Co., Ltd. (a subsidiary of Qiyuanxin Power), which qualifies as a high-tech enterprise and is subject to a 15% corporate income tax rate, all other companies are subject to a 25% corporate income tax rate.

(IX) Forecast of capital expenditure

For the purpose of this Valuation, capital expenditure refers to expenditures for the replacement or renovation of existing fixed assets and investments in new production capacity after the Valuation Benchmark Date. Within the Finite Forecast Period, expenditures for the replacement or renovation of existing fixed assets are projected based on the need for asset replacement and the economic useful life of the assets; and expenditures for investments in new production capacity are projected based on the need for new production capacity. For the Perpetual Period, capital expenditure is projected using the annuity method, categorized by asset class and replacement cycle (based on the economic useful life determined according to industry standards).

(X) Forecast of working capital

An increase in working capital refers to the additional working capital required for an enterprise to maintain its going-concern ability without changing its current principal business, such as cash required to sustain normal production and operations, funds required for the purchase of raw materials and other inventories, outstanding trade receivables from customers (accounts receivable) and other payables. Working capital is forecasted based on the expected turnover days of each asset and liability.

In this statement, the increase in working capital is calculated as follows:

Increase in working capital = Working capital requirements for the current period – working capital requirements for the previous period

For the purpose of this Valuation, accounts receivable, prepayment, accounts payable and advance receipts are projected based on the credit period requirements for the financial management of Qiyuanxin Power, specifically:

For accounts receivable and accounts payable, the expected collection cycle for battery sales is 3 months; income from leasing operations, electricity charges of battery swapping stations and service fees shall be settled on a monthly basis;

Advance receipts, prepayments, inventory, other receivables and other payables are projected by referring to turnover rates.

Taxes payable and employee compensation payable are projected by referring to their payment cycles.

The forecast period for this Valuation extends up to 2031. Since the operating conditions of the enterprise are assumed to remain at the 2031 level thereafter, no increase in working capital for the Perpetual Period is considered.

(XI) Forecast of terminal value

We assume the annual operating performance of the enterprise will stabilize from 2032 onwards.

Determination of discount rate

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

Government bonds listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange with a remaining maturity of over 10 years as at the Valuation Benchmark Date are selected, and their respective yields to maturity are calculated. The average yield to maturity of all such government bonds, i.e., 2.21%, is adopted as the risk-free rate for this valuation.

(2)……Determination of equity risk premium (ERP)

The geometric average annual return of all constituent stocks of the CSI 300 Index is calculated, weighted by each constituent's weight in the CSI 300 Index to derive the weighted average geometric return of the 300 constituent stocks, which serves as the market return (Rm) used for ERP calculation in the corresponding year. In accordance with the unified equity risk premium (ERP) measurement results published by China Alliance, the 10-year-plus equity risk premium (ERP) of 6.12% is applied.

(3)……Determination of systematic equity risk coefficient (β)

The principal business of the appraised entity in this Valuation is battery swap services for new energy heavy-duty trucks, and currently there are no comparable listed companies within this niche segment. Comparable companies are therefore selected from the broader industry category, namely companies related to the battery swap industry. In this Valuation, we initially adopted the following basic criteria for selecting comparable companies:

- The comparable companies shall have been listed for at least two years;
- The comparable companies shall issue only RMB-denominated A-shares;

- The industry in which the comparable companies operate or their principal business shall be related to the battery swap sector, or influenced by the same economic factors.

Based on the four criteria above, we conducted a screening using the iFind data system and ultimately selected the following five listed companies as comparable companies:

No.	Name	β coefficient	Income tax rate	Interest-bearing debt/ equity market value (%)	Unlevered β coefficient	Stock code
1	CATL	1.2969	15.00%	7.37%	1.2147	300750.SZ
2	EVE Energy	1.7949	15.00%	22.20%	1.4445	300014.SZ
3	Gotion High-tech	1.2674	25.00%	43.90%	0.7986	002074.SZ
4	XJ Electric	0.6659	15.00%	1.56%	0.6570	000400.SZ
5	Tonhe Technology	1.7119	15.00%	5.20%	1.6356	300491.SZ
	Arithmetic average	1.3474	17.00%	16.05%	1.1501	

The formulas applied are as follows:

Formula 1: Unlevered β coefficient = β coefficient / [1 + (1 - T) × D/E]

Formula 2: β coefficient = Unlevered β coefficient × [1 + (1 - T) × D/E]

The average debt-to-equity ratio (D/E) of the five listed companies, as reference companies, is 16.05%, and the average β excluding capital structure effects (i.e., unlevered β) calculated using Formula 1 is 1.1501.

1. Target capital structure of Qiyuanxin Power:

   Target income tax rate: 21%
   Target debt-to-equity ratio (D/E): 16.05%
   Unlevered β coefficient: 1.1501

   The β coefficient calculated for Qiyuanxin Power using Formula 2 is 1.32.

2. To estimate the expected future β coefficient, we applied the Blume adjustment to the β coefficient of 1.32 estimated using historical data.

   Blume's adjustment approach and methodology are as follows:

   $$\beta_a = 0.35 + 0.65\beta_h$$

   β_a represents adjusted β value

   β_h represents the historical β value.

   The final adjusted β value is 1.21.

(4)……Determination of specific risk excess return (Rs)

Company-specific risk premium primarily refers to the risk premium or discount arising from risks associated with certain non-systematic, company-specific factors. It is generally believed these specific risks include, but are not limited to, excessive customer concentration risk, single-product risk, market concentration risk and management risk. Given that the business of the appraised entity is still in a rapid growth stage, with risks such as fast future revenue growth, large investment scale and large financing amounts, the company-specific risk excess return is set at 2%.

(5)……Determination of return on debt investment (Rd)

For return on debt investment, the yield to maturity of investments in corporate bonds within the same industry and with the same risk rating as the target enterprise is generally adopted as the indicator for return on debt investment. After comprehensive consideration of the solvency, capital structure of the appraised entity and the prevailing market interest rates, the actual borrowing rate of the appraised entity, i.e., 3.02%, is adopted as the return on debt.

Determination of the value of non-operating assets and liabilities (including surplus assets)

Other receivables, other payables and provisions are valued at their verified carrying amounts.

Long-term equity investments, other equity instrument investments and other non-current financial assets are valued at audited fair value as they are accounted for at fair value.

Deferred income tax assets and deferred income tax liabilities are valued at their verified carrying amounts.

Determination of the value of interest-bearing liabilities

Interest-bearing liabilities are valued at their carrying amounts.

Determination of minority shareholders' interests

The carrying amount of minority shareholders' interests as at the Valuation Benchmark Date is RMB51.9119 million, accounting for 1.10% of the total carrying amount of owners' equity. During this Valuation, the value of minority shareholders' interests determined based on their proportion of total shareholders' equity is RMB113.732 million.

Based on the income approach, the assessed value of the equity attributable to the shareholders of Qiyuanxin Power as at the Valuation Benchmark Date is RMB10,275.0 million.

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.

18 August 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 28 April 2026 and prepared by China Alliance Appraisal Co., Ltd. (北京中同華資產評估有限公司) (the "**Valuer**") in relation to the valuation on Shanghai Qiyuanxin Power Technology Co., Ltd. (上海啟源芯動力科技有限公司) as at 30 November 2025 (the "**Valuation**"). The Valuation was considered as part of consideration in the announcement expected to be issued on 18 August 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 18 August 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.

18 August 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 INTEREST IN QIYUANXIN POWER

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 China Alliance Appraisal Co., Ltd. in respect of equity interests in Shanghai Qiyuanxin Power Technology Co., Ltd. ("**Qiyuanxin Power**") as at 30 November 2025 is based. The valuation is set out in the announcement of China Power International Development Limited (the "**Company**") dated 18 August 2026 (the "**Announcement**") in connection with the proposed disposal of equity interest in Qiyuanxin Power. 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 Qiyuanxin Power. 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