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China Power International Development Limited

中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 2380)

VOLUNTARY ANNOUNCEMENT

Establishment of a Partnership Fund and Possible Disposal of Equity Interest in Subsidiaries

On 29 April 2022, the Company, CP Zhihui and CP Guorui (both are the subsidiaries of the Company) individually or jointly entered into two agreements and relevant documents with Xinbao Beta and/or MT Asset Management (independent third parties) in relation to the establishment of a limited Partnership Fund and the Possible Disposal of equity interest in certain subsidiaries of the Company.

The Possible Disposal, if materialized, may constitute a notifiable transaction of the Company under the Listing Rules. Further details of the Possible Disposal shall be subject to the Formal Agreements to be entered into by the parties and further announcement(s) will be made upon execution of the Formal Agreements as and when appropriate, and in accordance with the Listing Rules.

The Possible Disposal is subject to, among others, the execution of the Formal Agreements and any conditions therein, which may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

PARTNERSHIP AGREEMENT

Date

29 April 2022

Parties

- (i) Xinbao Beta (as a General Partner, the Manager and the Executive Partner);
- (ii) CP Zhihui (as a General Partner);
- (iii) CP Guorui (as a Limited Partner); and
- (iv) MT Asset Management (as a Limited Partner).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Xinbao Beta, MT Asset Management and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Name of the Partnership Fund

CP Clean Industry Venture Capital Fund (Tianjin) Partnership (Limited Partnership)* (中電清潔產業創業投資基金（天津）合夥企業（有限合夥）)

Duration

The Partnership Fund shall have a term of five years, starting from the date of the first investment made by the Partnership Fund. The first three years shall be the investment period and the remaining years shall be the divestment period, which may be shortened or extended pursuant to the terms of the Partnership Agreement.

Investment Scope and Restrictions

The scope of business of the Partnership Fund covers, among others, equity investment, investment management and asset management activities. The Partnership Fund shall be filed as a private investment fund with Asset Management Association of China.

The Partnership Fund shall invest in companies that are engaging in the new energy sector. The amount of investment to be made by the Partnership Fund in any single project shall not exceed 30% of the total capital contribution committed by the Partners of the Partnership Fund.

Capital Commitment

The total capital commitment to the Partnership Fund is RMB5 billion, among which each Partner is to make its respective capital contribution in the form of cash, details of which are set out as below:

Type	Partners	Amount of Capital Commitment (RMB)	Interest (%)
General Partner	Xinbao Beta	1,000,000	0.02
	CP Zhihui	1,000,000	0.02
Limited Partner	CP Guorui	999,000,000	19.98
	MT Asset Management	3,999,000,000	79.98
	Total	5,000,000,000	100

Xinbao Beta shall act as the Manager and Executive Partner. Unless otherwise agreed by all Partners, it is responsible for the daily operation and investment management of the Partnership Fund. As the Executive Partner, it is entrusted with full power and authority to enter into contracts, agreements and commitments on behalf of the Partnership Fund, manage and dispose of the properties of the Partnership Fund, and undertake other necessary actions pursuant to the Partnership Agreement.

Income Distribution

The Partnership Fund shall make annual income distribution in the form of cash (after deducting all necessary expenses) at the threshold rate of return of 5.65% per year to all Partners according to their respective proportion of paid-in capital contribution and the actual investment days.

COOPERATION FRAMEWORK AGREEMENT

Date

29 April 2022

Parties

- (i) Xinbao Beta;
- (ii) CP Zhihui;
- (iii) CP Guorui;
- (iv) the Company; and
- (v) the Partnership Fund.

Investment Targets and Structure

Pursuant to the Cooperation Framework Agreement, CP Guorui and the Partnership Fund will jointly set up a SPV which shall be owned as to 20% and 80% by them respectively. The SPV shall act as an investment platform for investing in the Target Companies (as recommended by the Company and approved by the Partnership Fund, and subject to the business, financial and legal due diligence and valuation assessment of the Target Companies) and other companies. The Possible Disposal shall be subject to further discussion and execution of Formal Agreements with definitive terms and conditions.

Governance Structure of the SPV

The shareholders' meeting should be attended by all shareholders or their authorized representatives, and the shareholders shall exercise the corresponding voting rights according to their respective equity interest. Matters such as business directions and investment plans shall only need to be approved by CP Guorui and the shareholders who hold 20% (includes 20%) or more of the voting rights. Any changes to the SPV's capital, company's mergers, divisions, dissolution, liquidation, and amendments to the articles of association shall be approved by all shareholders.

The board of directors is responsible for reviewing all the investment to be made by the SPV. It is composed of three directors, among which, two directors are appointed by CP Guorui, and one director is appointed by the Partnership Fund. Save for important matters (such as provision of any form of corporate guarantee to third parties and change of the auditors), resolutions of the board of directors can be passed with the consent of two or more directors.

As the Company and its affiliates maintain control and decision-making power over the SPV, its financial statements will be consolidated to the accounts of the Group.

The right of first refusal

The Company has the right of first refusal to acquire the 80% equity interest of the SPV held by the Partnership Fund upon expiry of 36 months starting from the date of the first investment made by the Partnership Fund. For the avoidance of doubt, the Company shall have the right, but not the obligation, to acquire the equity interest of the SPV. Should the Company decide not to exercise the right of first refusal, the Partnership Fund may sell its equity interest of the SPV to any independent third party.

REASONS AND BENEFITS OF THE TRANSACTIONS

The establishment of Partnership Fund will enable the Company to bring in new strategic partners to leverage on their respective strength, resources and expertise for development and further expansion of the Group's clean energy projects. Their investment in the Target Companies will accelerate the Group's transformation towards green and low-carbon energy development, and will also provide additional financing that in turn will effectively improve the Group's cash flow and the asset-liability ratio.

The Directors (including independent non-executive Directors) believe that, as far as the shareholders of the Company are concerned, the above two agreements have been entered into on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the above two agreements or is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is a core subsidiary of SPIC for conventional energy business. SPIC (together with its subsidiaries) is an integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources in the PRC.

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 coal-fired power plants; and provision of energy storage, green power transportation and integrated intelligent energy solution services. Its businesses are located in various major power grid regions of China.

SPIC is principally engaged in investment holding with business covers the power, coal, aluminum, logistics, finance, environment protection and high-tech industries in the PRC and overseas countries.

INFORMATION OF CP ZHIHUI

CP Zhihui is a wholly-owned subsidiary of the Company, which is principally engaged in power supply and operation of natural gas.

INFORMATION OF CP GUORUI

CP Guorui is a wholly-owned subsidiary of the Company, which is principally engaged in wholesale of coal, electromechanical equipment and metal materials; provision of warehousing services; provision of investment consultation for coal mines, ports, railways, shipping and reuse of power generation by-products.

INFORMATION OF XINBAO BETA

Xinbao Beta is a limited liability company incorporated in the PRC. It is mainly engaged in private equity investment fund management and venture capital fund management services, and is wholly-owned and ultimately controlled by Xinbao Investment Management Co., Ltd.* (新保投資管理有限公司).

INFORMATION OF MT ASSET MANAGEMENT

MT Asset Management is a limited liability company established by the approval of the China Insurance Regulatory Commission. It is principally engaged in fixed income investment, equity investment, real estate investment, infrastructure debt project investment, asset-backed project investment, etc. It is an insurance asset management company and is wholly-owned and ultimately controlled by Minsheng Life Insurance Co., Ltd.* (民生人壽保險股份有限公司).

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as each of the applicable percentage ratios for the transactions contemplated under the aforesaid agreements is less than 5%, they do not constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

The Possible Disposal, if materialized, may constitute a notifiable transaction of the Company under the Listing Rules. Further details of the Possible Disposal shall be subject to the Formal Agreements to be entered into by the parties and further announcement(s) will be made upon execution of the Formal Agreements as and when appropriate, and in accordance with the Listing Rules.

The Possible Disposal is subject to, among others, the execution of the Formal Agreements and any conditions therein, which may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Cooperation Framework Agreement”	the agreement entered into between Xinbao Beta, CP Zhihui, CP Guorui, the Company and the Partnership Fund dated 29 April 2022
“CP Guorui”	China Power Guorui Supply Chain Management Co., Ltd.* (中電國瑞供應鏈管理有限公司), a company incorporated in PRC with limited liability and a wholly-owned subsidiary of the Company

“CP Zhihui”	Zhongdian Zhihui Comprehensive Energy Limited* (中電智慧綜合能源有限公司), a company incorporated in PRC with limited liability and a wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Formal Agreements”	the legally binding equity transfer agreements to be entered into among the Company, the SPV, the Partnership Fund and the Target Companies in relation to the Possible Disposal
“General Partner(s)”	namely Xinbao Beta and CP Zhihui, the general partners shall bear unlimited joint and several liability to the debts of the Partnership Fund pursuant to the Partnership Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Limited Partner(s)”	namely CP Guorui and MT Asset Management, the limited partners shall be liable to the debts and liabilities of the Partnership Fund to the extent of their respective capital commitments pursuant to the Partnership Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MT Asset Management”	Minsheng Tonghui Asset Management Co., Ltd.* (民生通惠資產管理有限公司), an insurance asset management company wholly-owned and ultimately controlled by Minsheng Life Insurance Co., Ltd.* (民生人壽保險股份有限公司)
“Partner(s)”	the party(ies) to the Partnership Agreement, namely Xinbao Beta, CP Zhihui, CP Guorui and MT Asset Management
“Partnership Agreement”	the partnership agreement entered into between the Partners in relation to the formation of the Partnership Fund dated 29 April 2022
“Partnership Fund”	CP Clean Industry Venture Capital Fund (Tianjin) Partnership (Limited Partnership)* (中電清潔產業創業投資基金(天津)合夥企業(有限合夥)), a limited liability partnership established in the PRC pursuant to the Partnership Agreement
“Possible Disposal”	the possible disposal of the equity interest of the Target Companies held directly or indirectly by the Company
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“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 of the PRC* (中華人民共和國國務院)
“SPV”	a special purpose vehicle established for the purpose of carrying out the investment in the Target Companies
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	the subsidiaries of the Company that are engaging in the new energy sector
“Xinbao Beta” or “Manager” or “Executive Partner”	Xinbao Beta Private Equity Fund Management (Hainan) Co., Ltd.* (新保貝塔私募基金管理(海南)有限公司), a company incorporated in PRC with limited liability, a wholly-owned subsidiary of Xinbao Investment Management Co., Ltd.* (新保投資管理有限公司), and the General Partner, the manager, and the executive partner of the Partnership Fund

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

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

Hong Kong, 29 April 2022

As at the date of this announcement, the directors of the Company are: executive directors HE Xi and GAO Ping, non-executive directors ZHOU Jie and XU Zuyong, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.