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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)

DISCLOSEABLE TRANSACTION

Capital Injection into Xinyuan Green Power

Capital Injection Agreements

On 31 December 2022, the Company and Xinyuan Green Power, a wholly-owned subsidiary of the Company, entered into the Capital Injection Agreements with CCB Investment, pursuant to which CCB Investment agreed to inject an aggregate amount of RMB2,000,000,000 (equivalent to approximately HK\$2,247,191,000) into Xinyuan Green Power.

After the Completion Date, Xinyuan Green Power will be held as to 54.56% by the Company and 45.44% by CCB Investment, and Xinyuan Green Power shall remain as a subsidiary of the Company. Pursuant to the Cooperation Agreement, CCB Investment may request, or the Company shall have the right, but not an obligation, to repurchase the equity interest of Xinyuan Green Power held by CCB Investment.

Listing Rules Implications

The Capital Injection by CCB Investment will result in a reduction of the Company's equity interest in Xinyuan Green Power from 100% to 54.56%, and therefore the Capital Injection will constitute a deemed disposal by the Company pursuant to Rule 14.29 of the Listing Rules.

As the highest application percentage ratio for the Capital Injection exceeds 5% but is less than 25%, the entering into the Capital Injection Agreements and the Capital Injection contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

According to Chapter 14 of the Listing Rules, the Repurchase Option granted to the Company shall be treated as a notifiable transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. Pursuant to Rule 14.75(1) of the Listing Rules, on the grant of the Repurchase Option (the exercise of which is at the discretion of the Company), only the premium will be taken into consideration for calculating the percentage ratios. As no premium is payable on the grant of the Repurchase Option, the grant of the Repurchase Option does not constitute a notifiable transaction of the Company. The Company will comply with applicable Listing Rules requirements should it exercise the Repurchase Option.

BACKGROUND

Under the background of national environmental goals of achieving carbon emission peaking and carbon neutrality, the Group has been restructuring some of its new energy projects into a new investment platform company and to bring in high-quality strategic investors as partners to accelerate the Group's development and expansion in the field of green and sustainable energy.

THE CAPITAL INJECTION AGREEMENTS

The principal terms of the Capital Injection Agreements are as follows:

Date

31 December 2022

Parties

- (i) The Company;
- (ii) CCB Investment, as the subscriber; and
- (iii) Xinyuan Green Power, as the issuer.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, CCB Investment and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

The Capital Injection

Pursuant to the Capital Injection Agreements, CCB Investment agreed to inject an aggregate amount of RMB2,000,000,000 (equivalent to approximately HK\$2,247,191,000) into Xinyuan Green Power, among which, RMB1,665,713,115 shall be recognized as its registered share capital and RMB334,286,885 shall be recognized as its capital reserves.

As at the date of this announcement, Xinyuan Green Power, is a wholly-owned subsidiary of the Company and holds six 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	浹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

(collectively, the “**Underlying Project Companies**”)

Basis of determination of the amount of Capital Injection

The amount of the Capital Injection was determined by the parties to the Capital Injection Agreements after arm’s length negotiations with reference to the Valuation Report on the value of Xinyuan Green Power as at the Valuation Date in the amount of RMB2,401,373,900.

As the value of Xinyuan Green Power was evaluated based on the value of the Underlying Project Companies adopting the income approach, it constitutes a profit forecast pursuant to Rules 14.61 and 14.62 of the Listing Rules. For further information on the principal assumptions used in the Valuation Report, please refer to Appendix I to this announcement.

Ernst & Young, the reporting accountant of the Company, has reported on the calculations for the forecast used in the Valuation Report, which do not involve the adoption of accounting policies. So far as the calculations are concerned, the income approach has been adopted properly and compiled in all material respects in accordance with the bases and assumptions adopted by the Board as set out in the Valuation Report. Please refer to the report from Ernst & Young, the full text of which is set out in Appendix II to this announcement.

The Financial Adviser is satisfied that the profit forecast has been made after due and careful enquiry by the Board. Please refer to the Letter from the Financial Adviser, the full text of which is set out in Appendix III to this announcement.

Conditions Precedent

The Capital Injection is conditional upon the fulfilment of the following conditions precedent:

1. Xinyuan Green Power and its subsidiaries possesses all necessary approvals, authorizations, permits and qualifications for the operation of its business activities, which shall be obtained legally and remains valid, and there exist no circumstances which shall render the aforementioned approvals, consents, authorizations, permits and qualifications invalid.
2. The Capital Injection Agreements and the Capital Injection contemplated thereunder have been approved by the shareholders of Xinyuan Green Power at a general meeting, and the Company has agreed to waive its pre-emptive rights to the subscription of shares in the enlarged share capital of Xinyuan Green Power.
3. All parties to the Capital Injection Agreements have completed their respective internal approval process and have obtained all necessary authorizations for the Capital Injection. Copies of such authorizations shall be provided to the other parties with the originals available for inspection upon request.
4. The Company has completed its investment in Xinyuan Green Power in the amount of RMB1,722,000,000 by conversion of the existing capital reserves to the paid-in registered capital of Xinyuan Green Power.
5. The Capital Injection and the resulting change in shareholding structure of Xinyuan Green Power will not cause any adverse effect on the operations of its subsidiaries. In the event that approval from, or registration with, relevant regulatory authorities are required, the Company, Xinyuan Green Power or its subsidiaries have obtained such approval or completed such registration, and have disclosed copies of the relevant documents to CCB Investment with the originals available for inspection upon request.
6. The Company and Xinyuan Green Power have not breached any of the representations, warranties, guarantees and covenants under the Capital Injection Agreements.
7. There have been no circumstances which may cause material adverse effect on (i) the Capital Injection; and (ii) the asset and normal operations of Xinyuan Green Power and its subsidiaries.
8. The Capital Injection Agreements have been executed and are effective.

Payment Terms

Upon the Capital Injection Agreements coming into effect and the aforementioned conditions precedent having been satisfied, CCB Investment shall, within 5 business days, pay the Capital Injection in cash into the designated account of Xinyuan Green Power.

The date on which CCB Investment settled the Capital Injection (the “**Completion Date**”) shall deem to be the date the transfer of the Target Equity Interest has been completed.

Completion

Within 60 working days after the Completion Date, Xinyuan Green Power shall convene a general meeting to (i) approve the Capital Injection; (ii) amend the articles of association of Xinyuan Green Power; (iii) update the register of members of Xinyuan Green Power; and (iv) approve the change in legal representative and appointment of directors and senior management of Xinyuan Green Power.

Within 40 working days after conclusion of the aforementioned general meeting, Xinyuan Green Power shall complete all necessary filings in relation to the Capital Injection with relevant regulatory authorities and have obtained the necessary approvals and the new business license.

During the transitional period from the Valuation Date to the Completion Date, the Company and CCB Investment will be entitled to, or borne, all profits and losses (as the case may be) of the Xinyuan Green Power based on their respective percentage of equity interest in the Xinyuan Green Power after the Completion Date.

Corporate Governance Structure

Pursuant to the Capital Injection Agreements, the board of directors of Xinyuan Green Power shall consist of 5 directors and the Company shall retain majority control and have the right to appoint the chairman. The composition of the senior management of Xinyuan Green Power shall be determined by the board of directors of Xinyuan Green Power.

Profit distribution

Pursuant to the Cooperation Agreement, CCB Investment shall be entitled to a fixed return on investment of 6% per annum (except for the first year, which shall be capped at 5.6% per annum) as a priority to the annual profit distribution from Xinyuan Green Power.

Repurchase Option

Pursuant to the Cooperation Agreement, CCB Investment may request, or the Company shall have the right, but not an obligation, to repurchase the equity interest in Xinyuan Green Energy from CCB Investment on the date falling on the third anniversary since the Completion Date.

The repurchase price shall be the higher of either (i) the fair value of the proportion of equity interest in Xinyuan Green Power held by CCB Investment; or (ii) as determined by the following formula: “Initial investment amount of CCB Investment + Difference between actual and fixed return on investment received by CCB Investment / 75%”.

Use of proceeds of the Capital Injection

The proceeds from the Capital Injection shall be used for investing in new and clean energy projects, working capital and/or repayment of debt of the Group.

FINANCIAL EFFECT OF THE CAPITAL INJECTION

After the Completion Date, the total registered capital of Xinyuan Green Power will be increased from RMB2,000,000,000 to RMB3,665,713,115 and will be held by the Company and CCB Investment as follows:

	Registered Share Capital	Percentage of shareholding
The Company	2,000,000,000	54.56%
CCB Investment	1,665,713,115	45.44%
Total	3,665,713,115	100%

Hence, the Company's equity interest in Xinyuan Green Power will be diluted from 100% to 54.56% after the Completion Date. Xinyuan Green Power will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the consolidated financial statement of the Company. Subsequent to the Completion Date, the debt-to-asset ratio of the Group is expected to be decreased by approximately 1.1 percentage points as compared to the debt-to-asset ratio as at the Valuation Date. The Group does not expect to recognize any gain or loss from the transactions contemplated under the Capital Injection Agreements.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

By bringing in high-quality strategic investors as partners could strengthen the financial capacity of the Group and therefore can help to accelerate the Group's development, expansion and further investment in green and sustainable energy. The Capital Injection will improve the debt-to-asset ratio and the cash flow position of the Group.

The Directors are of the view that as far as the shareholders of the Company are concerned, the terms of the Capital Injection Agreements are fair and reasonable, on normal commercial terms, and the Capital Injection contemplated thereunder are in the interest of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is the core and flagship listed subsidiary of SPIC. The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of hydropower, wind power, photovoltaic power and 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 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 coal-fired power, hydropower, nuclear power and renewable energy resources in the PRC.

INFORMATION OF XINYUAN GREEN POWER

Xinyuan Green Power is an investment holding company incorporated in September 2022 in the PRC. The main purpose of Xinyuan Green Power is to hold the Underlying Project Companies and act as a platform for further clean energy investments.

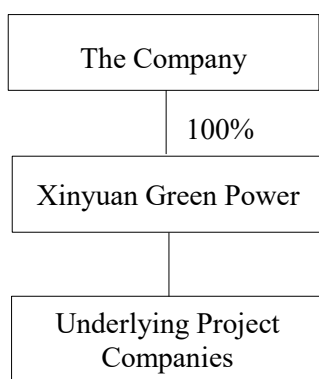
Set out below is the audited financial information of Xinyuan Green Power prepared in accordance with China Accounting Standards for Business Enterprises based on the pro forma consolidated financial results of the Underlying Project Companies for the year ended 31 December 2021 and the nine months ended 30 September 2022:

	For the year ended 31 December 2021 <i>(RMB '000)</i> <i>Audited</i>	For the nine months ended 30 September 2022 <i>(RMB '000)</i> <i>Audited</i>
Net profit before tax	181,451	205,580
Net profit after tax	174,479	198,015

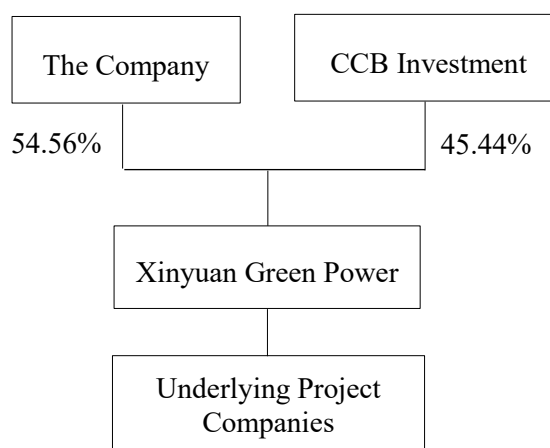
The audited net assets of Xinyuan Green Power as at 31 December 2021 and 30 September 2022 were approximately RMB1.8 billion and RMB2.0 billion, respectively.

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

As at the date of this announcement



Immediately after the Completion Date



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 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 swap and supporting businesses, raising funds from eligible social 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 China Banking and Insurance Regulatory Commission.

LISTING RULES IMPLICATIONS

The Capital Injection by CCB Investment will result in a reduction of the Company's equity interest in Xinyuan Green Power from 100% to 54.56%, and therefore the Capital Injection will constitute a deemed disposal by the Company pursuant to Rule 14.29 of the Listing Rules.

As the highest application percentage ratio for the Capital Injection exceeds 5% but is less than 25%, the entering into the Capital Injection Agreements and the Capital Injection contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

According to Chapter 14 of the Listing Rules, the Repurchase Option granted to the Company shall be treated as a notifiable transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. Pursuant to Rule 14.75(1) of the Listing Rules, on the grant of the Repurchase Option (the exercise of which is at the discretion of the Company), only the premium will be taken into consideration for calculating the percentage ratios. As no premium is payable on the grant of the Repurchase Option, the grant of the Repurchase Option does not constitute a notifiable transaction of the Company. The Company will comply with applicable Listing Rules requirements should it exercise the Repurchase Option.

EXPERTS AND CONSENTS

The qualification of the experts who have provided their opinions and advice, which are included in this announcement, are as follows:

Name	Qualification
China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司)	Qualified asset valuer in the PRC
Ernst & Young	Certified Public Accountants
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with a copy of its letter and/or reference to its name (including its qualifications) and its advice included in this announcement in the form and context in which it respectively appears.

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 from the Group and its connected persons.

As at the date of this announcement, none of the above experts has any equity interests in any member of the Group and has any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

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 (equivalent to approximately HK\$2,247,191,000) into Xinyuan Green Power contemplated under the Capital Injection Agreements
“Capital Injection Agreement”	an 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
“CCB Investment”	建信金融資產投資有限公司 (CCB Financial Asset Investment Company Limited*), a company incorporated in the PRC with limited liability, a third party independent of the Group and its connected persons
“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
“Completion Date”	the date on which CCB Investment settled the Capital Injection after the conditions precedent under the Capital Injection Agreements having been satisfied

“Cooperation Agreement”	the 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
“Financial Adviser”	Huatai Financial Holdings (Hong Kong) Limited
“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, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Option”	the option granted to the Company to repurchase the equity interest held by CCB Investment on the date falling on the third anniversary since the Completion Date. For further information, please refer to the section headed “Repurchase Option” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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 of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Equity Interest”	45.44% equity interest in Xinyuan Green Power
“Valuer”	China Enterprise Appraisals Co., Ltd. (北京中企華資產評估有限責任公司), a qualified asset valuer in the PRC

“Valuation Date”	30 September 2022, being the reference date on which the value of Xinyuan Green Power was evaluated
“Valuation Report”	the valuation report as of the Valuation Date prepared by the Valuer in relation to the value of Xinyuan Green Power dated 21 December 2022
“Xinyuan Green Power”	新源綠能電力（北京）有限公司 (Xinyuan Green Power (Beijing) Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company

* *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 RMB0.89 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
HE Xi
Chairman

Hong Kong, 3 January 2023

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.

APPENDIX I – KEY ASSUMPTIONS OF THE VALUATION REPORT

For the purpose of complying with Rule 14.62 of the Listing Rules, set out below are the principal assumptions of the income approach adopted to evaluate the Underlying Project Companies:

(I) General Assumptions

1. It is assumed that the Underlying Project Companies are included in the transactions contemplated under the Capital Injection Agreements, and the Valuer shall perform simulation on the basis that the Underlying Project Companies are transacted on the market with similar transaction terms and conditions to evaluate the value of the Underlying Project Companies.
2. It is assumed that parties to similar transactions for similar assets on the market have similar bargaining power, they have sufficient time and opportunity to obtain market information, such transactions are voluntary and rational, and both parties to such transactions are able to exercise rational judgement on the functions, usage and consideration, etc. of the underlying assets.
3. It is assumed that there will be no significant changes to the laws, regulations and policies and the macro-economic environment in the PRC, and the political, economic and social environment in the region where the parties to the transaction operate.
4. It is assumed that there will be no significant changes to the macro-economic policies, industrial polices and regional development polices in the PRC subsequent to the Valuation Date.
5. It is assumed that, save for those which are known, there will be no significant changes to interest rates, foreign exchange rates, the basis of taxation and tax rates, and fees applicable to the Underlying Project Companies subsequent to the Valuation Date.
6. It is assumed that, subsequent to the Valuation Date, management of the Underlying Project Companies remain responsible, stable and have the ability to perform their duties.
7. Unless otherwise specified, it is assumed that the Underlying Project Companies are in compliance with all application laws and regulations.
8. It is assumed that there are no force majeure factors or unpredictable factors causing significant adverse effect to the Underlying Project Companies.

(II) Special Assumptions

1. It is assumed that accounting policies adopted by the Underlying Project Companies subsequent to the Valuation Date remain consistent with the accounting policies adopted when the Valuation Report was prepared.

2. It is assumed that, based on the current management styles and management level, the principal business activities and styles of the Underlying Project Companies remain consistent subsequent to the Valuation Date.
3. It is assumed that cash inflows and cash outflows are normal cash inflows and cash outflows, respectively, subsequent to the Valuation Date.
4. It is assumed that data used for the valuation, such as power generated, operating costs, electricity prices, with reference to the feasibility studies and other relevant information provided by the Underlying Project Companies, of new energy projects operated by the Underlying Project Companies will not change significantly in their actual operations in the future.
5. As at the Valuation Date, the new energy projects being constructed by the Underlying Project Companies have not yet been completed and the final accounts are not yet available. It is assumed that the Underlying Project Companies have performed a preliminary estimation of the costs involved and that such estimation will not change significantly.
6. As at the Valuation Date, certain new energy projects have not yet been connected to the main grid and generating power. It is assumed that there will be no substantial obstacles in obtaining the required approvals, permits, etc. to ensure the normal operation of such new energy projects.

APPENDIX II – 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.

3 January 2023

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 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 China Enterprise Appraisals Co., Ltd. in respect of China Power Xiejiaji Photovoltaic Power Generation Company Limited, Xintai China Power Photovoltaic Power Generation Company Limited, China Power (Chaoyang) New Energy Company Limited, Xishui Intelligent New Energy Company Limited, Henan New Hope New Energy Company Limited and Guyuan County Guangcheng Photovoltaic Power Generation Company Limited (collectively, the “**Underlying Project Companies**”) as at 30 September 2022 is based. The valuation is set out in the announcement of China Power International Development Limited (the “**Company**”) dated 3 January 2023 (the “**Announcement**”) in connection with the capital injection into Xinyuan Green Power (Beijing) Co., Ltd. (“**Xinyuan Green Power**”). The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 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 (Key Assumptions of the Valuation Report) 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 Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and 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 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 paragraph 14.62(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 III – LETTER FROM THE FINANCIAL ADVISER

The following is the full text of the letter from the Financial Adviser, for the purpose of, among other things, incorporation into this announcement.

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

3 January 2023

Dear Sirs,

We refer to the valuation (the “Valuations”) dated 21 December 2022 prepared by China CEA Asset Appraisal Co., Ltd. (北京中企華資產評估有限責任公司) (the “Independent Valuer”) in respect of the appraisal of the value of the six project companies, namely 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), Xintai China Power Photovoltaic Power Generation Company Limited (新泰中電光伏發電有限公司), China Power (Chaoyang) New Energy Company Limited (中電(朝陽)新能源有限公司), Xishui Intelligent New Energy Company Limited (浞水智慧新能源有限公司), Henan New Hope New Energy Company Limited (河南新希望新能源有限公司) and Guyuan County Guangcheng Photovoltaic Power Generation Company Limited (沽源縣光晟光伏發電有限公司), (collectively, the “Underlying Project Companies”), held directly or indirectly by Xinyuan Green Power (Beijing) Co., Ltd. (新源綠能電力(北京)有限公司) (the “Target Company”), a direct wholly-owned subsidiary of China Power International Development Limited (the “Company”) as at 30 September 2022. We noted that the Valuations have been evaluated based on the income approach which constitutes profit forecasts (the “Forecasts”) pursuant to Rules 14.61 and 14.62 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and this letter is issued in compliance with the requirement under Rule 14.62(3) of the Listing Rules.

The principal assumptions upon which the Valuations is based are included in Appendix I to the announcement of the Company dated 3 January 2023 (the “Announcement”), of which this letter forms part.

We have reviewed the underlying Forecasts of the Valuations, for the Company is solely responsible, and had discussions involving the management of the Company and the Independent Valuer in respect of the bases and assumptions upon which the Forecasts have been made.

We have also considered the letter addressed solely to and for the sole benefit of the directors of the Company from Ernst & Young (the “Auditor”) dated 3 January 2023 regarding the calculations upon which the Forecasts have been made as set out in Appendix II to the Announcement regarding the Valuations.

The Forecasts have been prepared using a set of assumptions that include hypothetical assumptions about future events and other assumptions that may or may not necessarily be expected to occur and, as such, the Forecasts may not be appropriate for purposes other than for deriving the Valuations. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to differ from the Forecasts since such anticipated events frequently may or may not occur as expected and the variation may be material.

We have not independently verified the computations leading to the Independent Valuer's determination of the value of the Underlying Project Companies. We have had no role or involvement and have not provided and will not provide any assessment of the value of the Underlying Project Companies and, accordingly, we take no responsibility and express no views therefor. The assessment, review and discussions carried out by us as described in this letter are based on financial, economic, market and other conditions in effect, and the information made available to us, as of the date of this letter and we have, in arriving at our views, relied on information and materials supplied to us by the Company, the Independent Valuer and the Auditor and opinions expressed by, and representations of, the employees and/or management of the Company, the Independent Valuer and the Auditor. We have assumed, without independent verification, that all information, materials and representations so supplied, including all information, materials and representations referred to or contained in the Announcement, for which the Company is wholly responsible, were true, accurate, complete and not misleading at the time they were supplied or made and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations referred to or contained in the Announcement, and we have not assumed any responsibility or liability therefor. Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our assessment and review.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions selected by the Independent Valuer, for which the Independent Valuer and the Company are responsible, we are satisfied that the Forecasts, for which the Company is solely responsible, have been made by you after due and careful enquiry.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you (and as Appendix III to the Announcement) under Rule 14.62(3) of the Listing Rules and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,

For and on behalf of
Huatai Financial Holdings (Hong Kong) Limited

Name: Andy Wai

Title: Managing Director, Co-head of Corporate Finance Division, Head of M&A Division