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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)

CONNECTED TRANSACTION

Formation of Limited Partnership

On 8 December 2023, CP Guorui, a wholly-owned subsidiary of the Company, entered into a Partnership Agreement with SPIC Industrial Fund, Anhui Industrial Fund, SPIC Three New Industries Funds, Wuhu Industrial Investment and Wuwei Industrial Investment to form a Limited Partnership, pursuant to which CP Guorui as a Limited Partner, would make a capital contribution of RMB600,000,000 (equivalent to approximately HK\$659,000,000) by way of cash, representing approximately 30% equity interest in the Limited Partnership.

As at the date of this announcement, SPIC owns approximately 63.49% of the issued share capital of the Company. As SPIC is the ultimate controlling shareholder of the Company, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

SPIC Industrial Fund and SPIC Three New Industries Funds are subsidiaries of SPIC. Accordingly, SPIC Industrial Fund and SPIC Three New Industries Funds are connected persons of the Company and the formation of the Limited Partnership constitutes a connected transaction of the Company under the Listing Rules.

As certain applicable percentage ratios in respect of the formation of the Limited Partnership exceed 0.1% but are less than 5%, it is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

PARTNERSHIP AGREEMENT

Date

8 December 2023

Parties

- (i) SPIC Industrial Fund (as the General Partner and Executive Partner);
- (ii) Anhui Industrial Fund (as the Limited Partner);
- (iii) CP Guorui (as the Limited Partner);
- (iv) SPIC Three New Industries Funds (as the Limited Partner);
- (v) Wuhu Industrial Investment (as the Limited Partner); and
- (vi) Wuwei Industrial Investment (as the Limited Partner).

Name of the Limited Partnership

電投創興綠色新能(安徽)創業投資合夥企業(有限合夥) (SPIC Innovation Green New Energy (Anhui) Venture Capital Partnership (Limited Partnership)*) (tentative name, subject to the approval of the industry and commerce registration authority)

Scope of Business and Restrictions

The Limited Partnership shall mainly invest in unlisted companies in the form of equity. Its business scope is principally engaged in private equity investment, investment management and asset management. Pursuant to the Partnership Agreement, it is formed to invest in the sectors of emerging industries, including renewable energy generation technology, hydrogen energy, energy storage, nuclear energy and environmental protection startup companies.

The amount of investment to be made by the Limited Partnership in any single project shall not exceed 20% of the total capital contribution committed by the Partners of the Limited Partnership. The Limited Partnership's post-investment shareholding ratio shall not exceed 30% of the total share capital of the invested enterprises and it shall not become the first largest shareholder of any of its invested enterprises.

Term of the Limited Partnership

The term of the Limited Partnership shall be seven years, which can be extended for one additional year upon expiration subject to unanimous consent of the Partners. The initial four years is the investment period. Commencing on the next day upon the expiry of the investment period and ending on the expiry date of the term is the exit period.

Capital Contribution

The capital contribution shall be made in cash by each of the Partners to the Limited Partnership as set out below:

Partners	Capital contribution (RMB)	Equity interest in the Limited Partnership (%)
SPIC Industrial Fund	20,000,000	1
Anhui Industrial Fund	600,000,000	30
CP Guorui	600,000,000	30
SPIC Three New Industries Funds	380,000,000	19
Wuhu Industrial Investment	200,000,000	10
Wuwei Industrial Investment	200,000,000	10
	2,000,000,000	100

The Partners shall make their capital contributions by three instalments in the proportion of 30%, 50% and 20% respectively according to the requirements specified in the payment notice to be issued by the Executive Partner. Upon the Limited Partnership has invested 70% of the paid-in capital from each capital contribution, the Partners should make the next capital contribution within the specified period in accordance with the requirements of the Executive Partner. The capital contribution to be made by CP Guorui will be funded by the Group's internal resources.

Designated Investment Plans

The total amount invested in projects in Anhui Province shall not be less than 60% of the Limited Partnership's actual total investment.

The total amount invested in projects in Wuhu of Anhui Province made by the Designated Investment Entities shall not be less than 1.35 times of the amount of paid-in capital contribution made by Wuhu Industrial Investment and Wuwei Industrial Investment to the Limited Partnership.

The total amount invested in projects in Wuwei of Anhui Province made by the Designated Investment Entities shall not be less than 1.35 times of the amount of paid-in capital contribution made by Wuwei Industrial Investment to the Limited Partnership.

Management of the Limited Partnership Affairs

SPIC Industrial Fund, the General Partner, shall also act as the Executive Partner and the Fund Manager of the Limited Partnership, which has the exclusive power to manage, control, operate and make decision on behalf of the Limited Partnership.

To ensure the scientific, reasonable and efficient investment decision-making, the Fund Manager shall set up a special investment decision-making committee for the Limited Partnership as a decision-making body for the investment, exit and other matters of the Limited Partnership.

The investment decision-making committee shall be comprised of five (5) members. The Fund Manager has the right to appoint two committee members, and each of SPIC Three New Industries Funds, Anhui Industrial Fund and CP Guorui has the right to appoint one committee member. All decisions shall be passed by the affirmative votes cast by four (4) or above members of the investment decision-making committee.

Management Fee

During the term of the Limited Partnership, an annual management fee shall be payable by the Limited Partnership to the Fund Manager in the following manner:

- During the investment period, the annual management fee shall be 1.5% of the total paid-in capital contributions of the Limited Partners for the year.
- During the exit period, the annual management fee shall be 1% of the remaining invested paid-in capital contributions that the Limited Partnership has not yet exited.
- No management fee will be charged for the extended period of one year if the term of the Limited Partnership is extended.

Income Distribution and Loss Sharing

The income (after deducting all necessary expenses and taxes) of the Limited Partnership shall be distributed in the following order:

- (1) The income distribution shall be made to the Partners in proportion to their respective paid-in capital contribution until the accumulated amount distributed to each Partner reaches the amount of its respective amount of paid-in capital contributed to the Limited Partnership;
- (2) After all Partners have recovered their paid-in capital contributions in accordance with (1) above as of the date of distribution, a threshold income of 8% per annum (simple interest) (calculated from the date of capital contribution to the date on which the Partners have received the returned paid-in capital contribution in (1) above) shall be distributed to each Partner in proportion to the paid-in capital contribution made by the respective Partner;
- (3) If there is any surplus after the distributions in accordance with (1) and (2) above, 20% of the surplus shall be distributed to the General Partner as a performance-based compensation of the Limited Partnership and 80% shall be distributed to all Partners in proportion to their respective paid-in capital contribution.

Any loss incurred by the Limited Partnership shall be borne by the Partners in proportion to their respective paid-up contribution. The Limited Partners shall be liable to the debts and liabilities of the Limited Partnership to the extent of their respective capital commitments; while the General Partner shall bear unlimited liability of the Limited Partnership.

REASONS AND BENEFITS OF THE FORMATION OF LIMITED PARTNERSHIP

Anhui Province, is a hub of multiple emerging industries, a place of reform and a demonstration area for ecologically friendly development, and it is also one of the key strategic investment regions of the Group. Participation in the Limited Partnership will enable the Group to further deepen the cooperative relationship with the local government of Anhui Province and strive for greater development of the invested enterprises in the green energy industry sector.

The Company considers that entering into the Partnership Agreement, the Group can leverage on the resources from the parties and the experience of the Fund Manager to accelerate its penetration into and expansion of its footprint in the emerging green energy industry.

The Directors (including independent non-executive Directors) believe that, as far as the shareholders of the Company are concerned, the Partnership Agreement has been entered into the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

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

INFORMATION OF THE GROUP

The Company is the core and flagship listed subsidiary of SPIC. The Group is principally engaged in generation and sales of electricity in Mainland China, including investment, development, operation and management of hydropower, wind power, photovoltaic power and thermal power plants, and provision of energy storage, green power transportation, and integrated intelligent energy solution services. Its businesses are located in various major power grid regions of China.

INFORMATION OF PARTNERS

CP Guorui is a limited liability company incorporated in the PRC in September 2012 and 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.

Anhui Industrial Fund is a limited liability company incorporated in the PRC in June 2022 and is principally engaged in equity investments, asset operation and asset management. Anhui Industry Fund is a non wholly-owned subsidiary of 安徽省投資集團控股有限公司 (Anhui Investment Group Holdings Co., Ltd.*) and is indirectly held and ultimately controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province.

Wuhu Industrial Investment is a limited liability company incorporated in the PRC in June 2017 and is principally engaged in equity investments, assets operation and assets management. Wuhu Industrial Investment is a wholly-owned subsidiary of 蕪湖遠大創業投資有限公司 (Wuhu Yuanda Venture Capital Co., Ltd.*) and is indirectly held and ultimately controlled by State-owned Assets Supervision and Administration Commission of the Wuhu Municipal People's Government.

Wuwei Industrial Investment is a limited liability company incorporated in the PRC in April 2020 and is principally engaged in equity investments, investment management and investment consultancy services. Wuwei Industrial Investment is a wholly-owned subsidiary of 無為市城市建設投資有限公司 (Wuwei City Construction Investment Co., Ltd.*) and is indirectly held and ultimately controlled by Wuwei Finance Bureau.

SPIC Industrial Fund is a limited liability company incorporated in the PRC in February 2015 and a non wholly-owned subsidiary of the SPIC. It is principally engaged in private equity investment, fund management and venture capital fund management services, and it has registered as a private equity fund manager with the Asset Management Association of China.

SPIC Three New Industries Funds is a limited partnership established in the PRC in August 2020 and a wholly-owned subsidiary of SPIC. It is principally engaged in private equity investment and fund management services.

INFORMATION OF SPIC

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, SPIC owns approximately 63.49% of the issued share capital of the Company. As SPIC is the ultimate controlling shareholder of the Company, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

SPIC Industrial Fund and SPIC Three New Industries Funds are subsidiaries of SPIC. Accordingly, SPIC Industrial Fund and SPIC Three New Industries Funds are connected persons of the Company and the formation of the Limited Partnership constitutes a connected transaction of the Company under the Listing Rules.

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DEFINITIONS

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

“Anhui Industrial Fund”	安徽省新興產業發展基金有限公司 (Anhui Emerging Industries Development Funds Co., Ltd.*), a company incorporated in PRC with limited liability and ultimately controlled by State-owned Assets Supervision and Administration Commission of the People’s Government of Anhui Province
“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
“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
“Director(s)”	director(s) of the Company
“Designated Investment Entities”	including the Limited Partnership, the other funds managed by the Fund Manager, those funds managed by other fund managers under the same ultimate beneficial owner of the Fund Manager, or the controlling shareholder of the Fund Manager and the related entities of its ultimate beneficial owner
“Executive Partner” or “Fund Manager” or “General Partner”	Pursuant to the Partnership Agreement, SPIC Industrial Fund (as defined on the following page), the General Partner, shall also act as the Executive Partner and the Fund Manager
“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)”	the limited partner(s) of the Limited Partnership, namely CP Guorui, Anhui Industrial Fund, Wuhu Industrial Investment, Wuwei Industrial Investment and SPIC Three New Industries Funds, individually the “Limited Partner” and collectively the “Limited Partners”

“Limited Partnership”	電投創興綠色新能(安徽)創業投資合夥企業(有限合夥)(SPIC Innovation Green New Energy (Anhui) Venture Capital Partnership (Limited Partnership)*), a limited partnership to be established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partner(s)”	the General Partner and the Limited Partners, individually the “Partner” and collectively the “Partners”
“Partnership Agreement”	the partnership agreement entered into among all Partners in relation to the formation of the Limited Partnership on 8 December 2023
“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”	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)
“SPIC Industrial Fund”	國家電投集團產業基金管理有限公司 (SPIC Industrial Fund Management Co., Ltd.*), a company incorporated in PRC with limited liability, and a non wholly-owned subsidiary of SPIC
“SPIC Three New Industries Funds”	國電投三新產業股權投資基金(天津)合夥企業(有限合夥)(SPIC Three New Industries Equity Investment Funds (Tianjin) Partnership (Limited Partnership)*), a limited partnership established in the PRC and wholly-owned by SPIC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhu Industrial Investment”	蕪湖產業投資基金有限公司 (Wuhu Industrial Investment Fund Co., Ltd.*), a company incorporated in PRC with limited liability and ultimately controlled by State-owned Assets Supervision and Administration Commission of the Wuhu Municipal People’s Government

“Wuwei Industrial
Investment”

無為市產業引導投資有限公司 (Wuwei Industrial Leading Investment Co., Ltd.*), a company incorporated in PRC with limited liability and ultimately controlled by Wuwei Finance Bureau

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.91 to HK\$1.00. The translation shall not be taken as 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
HE Xi
Chairman

Hong Kong, 8 December 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 HUANG Qinghua, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.