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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)**

### **Completion of Acquisition and Continuing Connected Transactions Pursuant to Rule 14A.60 of the Listing Rules**

On 10 December 2021, the Company completed the acquisition of the 55% equity interest in CP Huayuan. Upon Completion, CP Huayuan has become a subsidiary of the Company and its financial results and financial position will be consolidated to the accounts of the Group.

Prior to Completion, CP Huayuan had entered into the Maintenance Services Agreement with Shandong Nuclear Power, an indirect subsidiary of SPIC. SPIC owns approximately 54.35% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. As SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules, the transactions contemplated under the Maintenance Services Agreement constitute continuing connected transactions of the Company following the Completion.

Pursuant to Rule 14A.60 of the Listing Rules, the transactions contemplated under the Maintenance Services Agreement are subject to all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules. In the event that the Maintenance Services Agreement is renewed or its terms are varied, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

### **COMPLETION**

Reference is made to the announcement dated 31 August 2021 of the Company in relation to the acquisition of the 55% equity interest in CP Huayuan (the “**Announcement**”). Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the Announcement.

On 10 December 2021, the Company completed the acquisition of the 55% equity interest in CP Huayuan as all the conditions precedent under the Equity Transfer Agreement have been fulfilled, and the confirmation for transfer of the management rights of CP Huayuan has been executed. CP Huayuan has become a subsidiary of the Company and its financial results and financial position will be consolidated to the accounts of the Group.

The final adjusted consideration for the Acquisition was RMB60,716,370, the same as disclosed in the Announcement.

## **EXISTING CONTINUING TRANSACTIONS**

Prior to Completion, CP Huayuan had entered into the Maintenance Services Agreement with Shandong Nuclear Power. The transactions contemplated under the Maintenance Services Agreement constitute continuing connected transactions of the Company following the Completion in accordance with Rule 14A.60 of the Listing Rules.

## **MAINTENANCE SERVICES AGREEMENT**

The principal terms of the Maintenance Services Agreement are set out as follows:

**Date:** 10 January 2020

**Parties:** (i) CP Huayuan (as the Service Provider); and  
(ii) Shandong Nuclear Power (as the Employer).

**Term:** 36 months

**Subject matter:** Pursuant to the Maintenance Services Agreement, the Service Provider shall provide the daily maintenance and repair work to the Employer for the nuclear island facilities of the two nuclear power generating units of its Haiyang Nuclear Power Station.

**Pricing and payment terms:** The total consideration under the Maintenance Services Agreement payable by the Employer will not exceed RMB84,000,000 (equivalent to approximately HK\$102,439,000) (inclusive of all taxes), which consists of the following components.

- (i) The daily maintenance contracting service fee was fixed at RMB46,653,088 for the routine maintenance of the nuclear island based on the required staff cost per person per month for 32 months.
- (ii) The daily maintenance supporting service fee was set at RMB24,637,024 for the technical support of the nuclear island based on the required staff cost per person per month for 32 months.

- (iii) The nuclear island overhaul supporting service fee was set at RMB11,919,600 based on the additional staff cost per person per day during the overhaul period (estimated to be 4 months).

The above items (i) and (ii) are payable on a quarterly basis, while item (iii) is payable according to the actual attendance and the number of technicians required for the overhaul.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The services contemplated under the Maintenance Services Agreement enable CP Huayuan to secure its stable income and profitability, and thereby is favourable to its business development. The Company considered that it would be beneficial for the Group to continue the Maintenance Services Agreement following the Completion.

The Directors (including the independent non-executive Directors) are of the view that the Maintenance Service Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and conducted in the ordinary course of the business of CP Huayuan, and in the interests of the Company and its shareholders as a whole.

None of the Directors has abstained from voting on the relevant Board resolution in approving the continuation of the transactions contemplated under the Maintenance Service Agreement.

## **INFORMATION OF THE GROUP AND SHANDONG NUCLEAR POWER**

The Company is a core subsidiary of SPIC for conventional energy business. SPIC (together with its subsidiaries) is one of the five major electricity generation groups and 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 sale of electricity in Mainland China, including investment, development, operation and management of hydropower, wind power, photovoltaic power and coal-fired power plants. Its businesses are located in the major power grid regions of China.

Shandong Nuclear Power is an indirect subsidiary of SPIC. It is a limited liability company incorporated in the PRC in September 2004 and is principally engaged in development and construction of nuclear energy, generation and sale of electricity of nuclear power, photovoltaic power and wind power, nuclear heat supply, energy storage and heat storage, as well as technical research and development, technical services and technical training for nuclear energy and new energy.

SPIC is principally engaged in investment holding, electricity generation and sales, and provision of various energy related services, including but not limited to EPC contracting, project planning, survey, design and consulting, trading and manufacturing of materials and equipment required by power plants, and their related operational management, research and development in the PRC and overseas countries.

## COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, SPIC owns approximately 54.35% of the issued share capital of the Company and 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. Since Shandong Nuclear Power is an indirect subsidiary of SPIC, the transactions contemplated under the Maintenance Services Agreement constitute continuing connected transactions of the Company following the Completion.

Pursuant to Rule 14A.60 of the Listing Rules, the transactions contemplated under the Maintenance Services Agreement are subject to all applicable reporting, annual review and disclosure requirements under Chapter 14A of the Listing Rules. In the event that the Maintenance Services Agreement is renewed or its terms are varied, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Completion”	the completion of the transfer of the management rights of CP Huayuan after satisfaction of the conditions precedent under the Equity Transfer Agreement
“CP Huayuan” or “Service Provider”	CP Huayuan Nuclear Power Engineering Technical Co., Ltd.* (中電華元核電工程技術有限公司), a company incorporated in PRC with limited liability, a 55%-owned subsidiary of the Company
“Haiyang Nuclear Power Station”	a nuclear power station owned by Shandong Nuclear Power comprised of two nuclear power generating units with installed capacity of 1,170MW
“Maintenance Services Agreement”	the agreement in relation to the provision of maintenance and repair services for the nuclear island facilities of two nuclear power generating units entered into between CP Huayuan and Shandong Nuclear Power prior to the Completion
“Shandong Nuclear Power” or “Employer”	Shandong Nuclear Power Co., Ltd.* (山東核電有限公司), a company incorporated in PRC with limited liability, an indirect subsidiary of SPIC which principally engaged in development and construction of nuclear energy and nuclear power generation

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

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

Hong Kong, 10 December 2021

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