Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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)

Major and Connected Transactions in relation to the Acquisitions

中信建投國際 CHINA SECURITIES INTERNATIONAL   CITIC SECURITIES

Joint Financial Advisers to the Company

Gram Capital Limited 嘉林資本有限公司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

THE ACQUISITIONS – CLEAN ENERGY PROJECT COMPANIES

Acquisition I

On 26 July 2023, the Company and SPIC entered into Agreement I pursuant to which the Company conditionally agreed to acquire, and SPIC conditionally agreed to sell, Equity Interests I at a consideration of RMB8,811,044,100 (equivalent to approximately HK$9,682,466,000), which will be settled by cash.

Acquisition II

On 26 July 2023, the Company, SPIC Guangdong and CPCEC entered into Agreement II pursuant to which the Company conditionally agreed to acquire, and SPIC Guangdong and CPCEC conditionally agreed to sell, Equity Interests II at a consideration of RMB1,974,016,700 (equivalent to approximately HK$2,169,249,000), which will be settled by cash.

Target Companies I and Target Company II are principally engaged in clean energy power generation, mainly including wind power and photovoltaic power.

LISTING RULES IMPLICATIONS

Acquisitions

As at the date of this announcement, SPIC indirectly owns approximately 61.06% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. Accordingly, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Each of SPIC Guangdong and CPCEC is a wholly-owned subsidiary ultimately owned and controlled by SPIC. As such, SPIC Guangdong and CPCEC are both connected persons of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, when aggregated, exceed(s) 25% but all are below 100%, the Acquisitions constitute (i) major transactions of the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) connected transactions of the Company subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Put Option

The exercise of the Put Option is at the discretion of the Company. According to Rule 14A.79(2) of the Listing Rules, the grant of the Put Option is classified based on the amount of the premium payable by the Company. As no premium is payable for the grant of the Put Option to the Company, such grant falls within the *de minimis* threshold and is exempt from all reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules. The Company will comply with the requirements of the applicable Listing Rules in this respect as and when appropriate.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise and provide recommendations to the Independent Shareholders on the Acquisitions, the terms of the Acquisition Agreements and how to vote. Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Acquisitions, a letter of recommendation from the Independent Board Committee, a letter of advice from Gram Capital and the arrangement of the GM, are expected to be despatched to the Shareholders on or before 17 August 2023.

The Acquisitions may or may not proceed to Completion and/or the Settlement of the Acquisitions. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE ACQUISITIONS

BACKGROUND

As at the date of this announcement, (i) SPIC indirectly owns approximately 61.06% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company; (ii) SPIC Guangdong and CPCEC are wholly-owned subsidiaries of SPIC; (iii) SPIC owns Equity Interests I; and (iv) SPIC Guangdong and CPCEC collectively own Equity Interests II.

On 26 July 2023, the Company entered into the Acquisition Agreements pursuant to which, the Company has conditionally agreed to acquire (i) Equity Interests I from SPIC; and (ii) Equity Interests II from SPIC Guangdong and CPCEC, respectively.

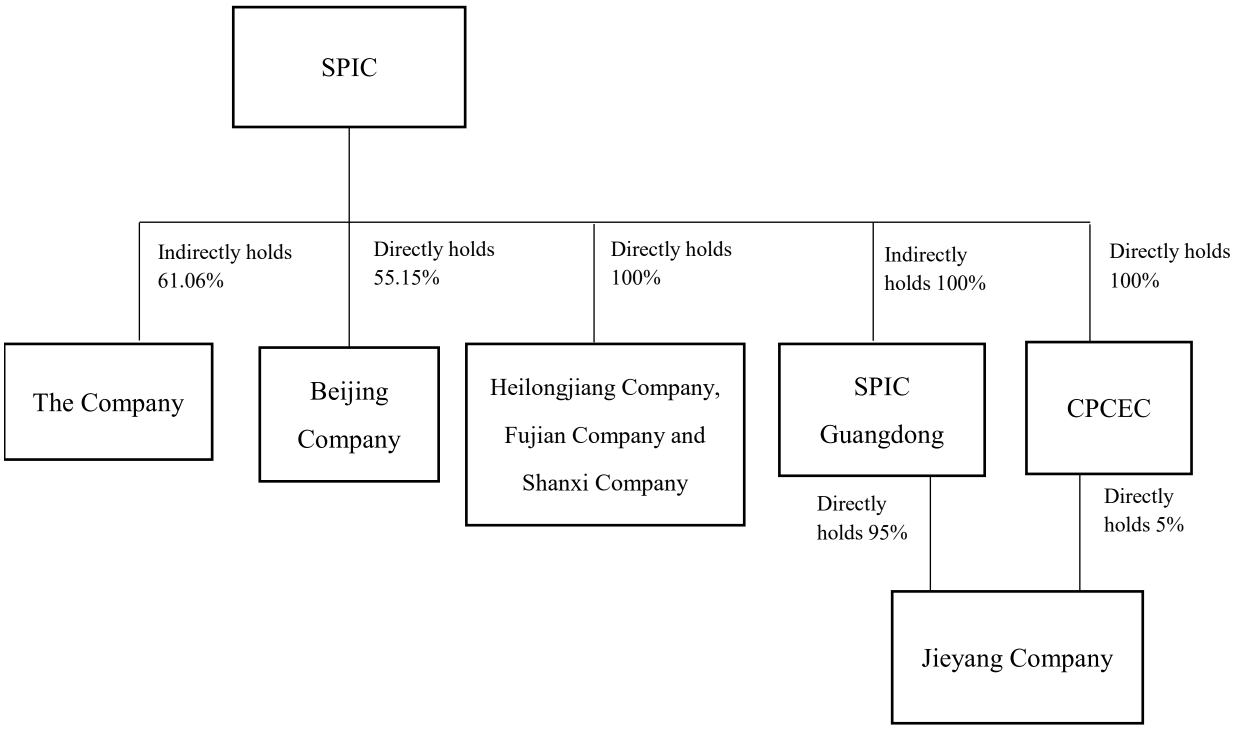
The Target Companies are principally engaged in clean energy power generation, mainly wind power and photovoltaic power with power stations located in 21 provinces in the PRC and with total installed capacity of 7,531.7MW in operation.

The Acquisitions will accelerate the positioning of the Company as the clean energy flagship listed subsidiary of SPIC, further promote the implementation of the Company's new development strategy of transforming itself into a leading clean and low-carbon energy provider (details of which are set out in the announcement of the Company dated 22 October 2021), committing to promote its high quality development, continuously optimize its asset structure and geographical layout, and improve the quality of its assets and its profitability.

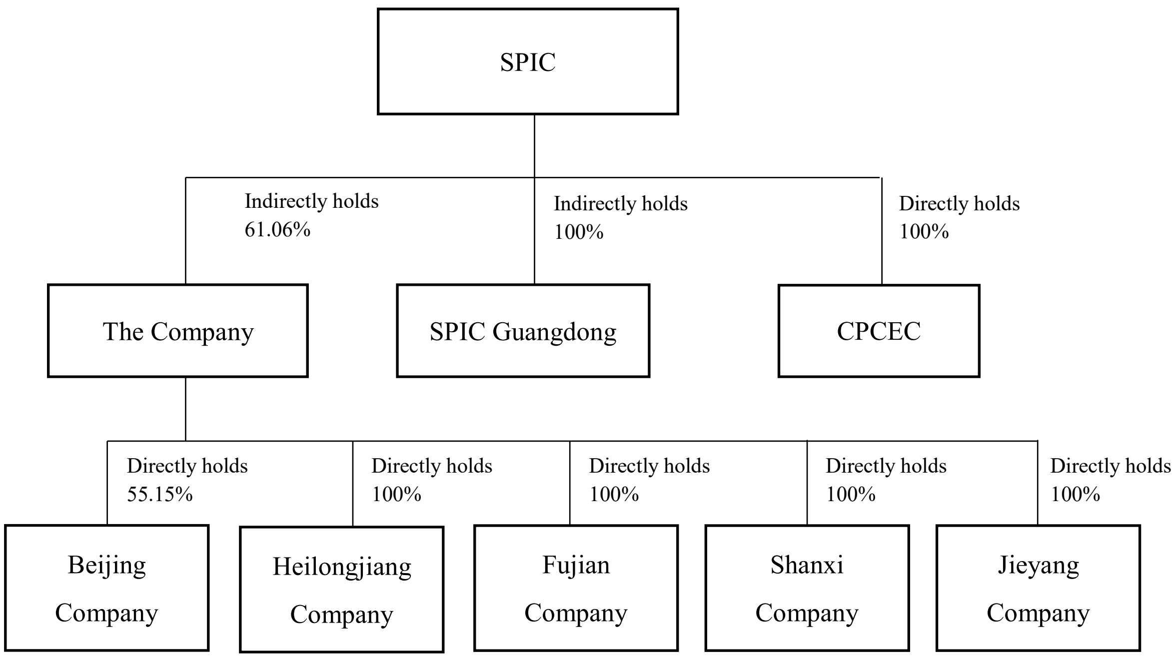
Prior to Completion of the Acquisitions, two of the Target Companies (Beijing Company and Fujian Company) should complete the Pre-Acquisition Reorganization.

The charts below set out the change in shareholding structure of the Target Companies.

(i) After the Pre-Acquisition Reorganization and immediately before Completion of the Acquisitions:



(ii) After Completion of the Acquisitions



ACQUISITION AGREEMENTS

Agreement I

Date

26 July 2023

Parties

(i) the Company, as the Purchaser; and

(ii) SPIC, as the Seller.

Assets to be acquired

The Company has conditionally agreed to acquire, and SPIC has conditionally agreed to sell, Equity Interests I.

Consideration

The total consideration for the acquisition of Equity Interests I is RMB8,811,044,100 (equivalent to approximately HK$9,682,466,000).

Pursuant to the Agreement I, the consideration for the acquisition of Equity Interests I is to be satisfied by the Company in cash.

The consideration was arrived at after arm's length negotiations between the Company and SPIC and was based on (i) the appraised value set out in the Asset Appraisal Reports in respect of the Target Companies I; and (ii) the percentage of equity interest in Target Companies I to be acquired by the Company. The consideration is subject to adjustment of not more than RMB400,000,000 in total by (i) any dividend attributable to the profits generated from the Target Companies I up to the Appraisal Benchmark Date to be distributed by Target Companies I to their original shareholders prior to Completion; (ii) the changes to the financial position and operating results of Target Companies I as a result of any dividend to be distributed by the relevant companies (to which the Reorganization Equity Interests relate) to their original shareholders prior to completion of the Pre-Acquisition Reorganization; and (iii) any other matters as agreed between the Company and SPIC.

Agreement II

Date

26 July 2023

Parties

(i) the Company, as the Purchaser; and

(ii) SPIC Guangdong and CPCEC, as the Sellers.

Assets to be acquired

The Company has conditionally agreed to acquire, and SPIC Guangdong and CPCEC have conditionally agreed to sell, Equity Interests II.

Consideration

The total consideration for the acquisition of Equity Interests II is RMB1,974,016,700 (equivalent to approximately HK$2,169,249,000).

Pursuant to the Agreement II, the consideration for the acquisition of Equity Interests II is to be satisfied by the Company in cash.

The consideration was arrived at after arm's length negotiations between the Company, SPIC Guangdong and CPCEC and was primarily based on the appraised value set out in the Asset Appraisal Reports in respect of Target Company II**.**

The consideration allocated to each of the Equity Interests

The following table sets out (i) the appraised value of the entire equity interest of each of the Target Companies as at the Appraisal Benchmark Date; and (ii) the consideration allocated to each of the Equity Interests according to the Acquisition Agreements:

	Target Companies	**Appraised value of Target Companies as at the Appraisal Benchmark Date**	**Percentage of equity interest represented by the relevant Equity Interests I**	**Consideration allocated to each of the Equity Interests I**	**Percentage of equity interest represented by Equity Interest II**	**Consideration allocated to Equity Interest II**
		RMB'000		*RMB'000*		*RMB'000*
1	Beijing Company	10,572,727.2	55.15%	5,830,859.1		
2	Heilongjiang Company	1,111,880.0	100%	1,111,880.0		
3	Fujian Company	1,251,355.0	100%	1,251,355.0		
4	Shanxi Company	616,950.0	100%	616,950.0		
5	Jieyang Company	1,974,016.7			100%	1,974,016.7
	Total	15,526,928.9		8,811,044.1[Note 1]		1,974,016.7[Note 2]

Notes:

1. *The total consideration for Acquisition I of RMB8,811,044,100 (equivalent to approximately HK$9,682,466,000).*
2. *The total consideration for Acquisition II of RMB1,974,016,700 (equivalent to approximately HK$2,169,249,000).*

Conditions precedent to the Acquisition Agreements

Completion for each of the Target Companies is conditional upon satisfaction of, among other things, the following conditions under the respective Agreement I and Agreement II:

(i) the Seller(s), the Company and the relevant Target Company having obtained all necessary permissions, approvals, consents, registrations, filings and other legally necessary types of authorizations internally and externally from regulatory authorities and third parties for the execution and performance of the Acquisition Agreements (including but not limited to those required by the relevant government authorities or financial institutions);

(ii) the due execution and delivery by the relevant parties of the new articles of association and new shareholders' agreements of the relevant Target Company (if any) and completion of all necessary documentation for the transfer of the Equity Interests in the Target Companies;

(iii) the representations and warranties made by the relevant Seller(s) pursuant to the relevant Acquisition Agreement, and all materials and information provided for completion of due diligence on the relevant Target Company, being true, accurate, complete and not misleading in any respect as at the signing date and effective date of the relevant Acquisition Agreement and the relevant Completion Date;

(iv) the relevant Target Company did not violate any rules or regulations in relation to its business operations prior to Completion;

(v) the Purchaser having convened a general meeting in accordance with the Listing Rules and having obtained the approval of the Acquisition Agreements and the Acquisitions contemplated thereunder from the Independent Shareholders;

(vi) the relevant Acquisition Agreement remaining valid and free from any breach and dispute;

(vii) filing of the relevant Asset Appraisal Report in accordance with the relevant regulations as promulgated by the SASAC;

(viii) there is no material adverse change in respect of the financial position, business operations or prospects of each Target Company since the Appraisal Benchmark Date;

(ix) (applicable to Beijing Company only) apart from the Seller, all the other shareholder(s) of Beijing Company having given their written consent to the transfer of the relevant Equity Interests and having waived all their pre-emptive rights in written form; and

(x) (applicable to Agreement I only) the completion of the transfer of the relevant Reorganization Equity Interests from the respective sellers to the respective purchasers pursuant to the Reorganization Agreements and the registration of the respective purchaser(s) as the shareholder(s) of the relevant Reorganization Equity Interests.

For the avoidance of doubt, subject to relevant provisions in the Acquisition Agreements, the parties to the relevant Acquisition Agreement could proceed to Completion of any Target Company after the above conditions precedent in relation to such Target Company having been satisfied or waived (if applicable).

Settlement of the Consideration for the Acquisitions

The settlement of the Consideration for the Acquisitions shall be made in cash in the following manner:

(i) 40% of the respective consideration of Agreement I and Agreement II shall be paid within three months after Completion;

(ii) 40% of the respective consideration of Agreement I and Agreement II shall be paid within six months after Completion; and

(iii) 20% of the respective consideration of Agreement I and Agreement II shall be paid within 12 months after Completion.

Put Option under the Acquisition Agreements

Pursuant to the Acquisition Agreements, if any of the Target Companies or any of their respective subsidiaries is (i) unable to comply with any applicable laws or regulations; or (ii) there occurs any non-compliance relating to land use or failure to complete property ownership registration, and such occurrence has a significant impact on the operations of any of the Target Companies or any of their respective subsidiaries such that there is a risk of rendering any of the Target Companies or any of their respective subsidiaries becoming unable to continue its operations, the Company shall have the right to require the Seller(s) or any third party appointed by the Seller(s) to buy back the relevant Equity Interest(s) (or part thereof as it relates to any subsidiary) at a consideration not lower than the appraised value of the relevant Equity Interest(s) (or part thereof as it relates to any subsidiary). No premium is payable for the grant of the Put Option to the Company.

Regulatory requirements in respect of the Acquisition Agreements

In order to comply with the PRC regulatory requirements set forth by the SASAC, the Company engaged PCAA and Zhongtianhua, each of which is an independent and qualified PRC appraiser, to perform asset appraisals and prepare the Asset Appraisal Reports in respect of the Target Companies as at the Appraisal Benchmark Date.

The asset appraisals that formed the basis of the consideration for the Acquisitions were made under the income approach with discounted cash flow method, which constituted a profit forecast under Rule 14.61 of the Listing Rules. The key assumptions of the Asset Appraisal Reports are set out in Appendix I to this announcement. CSCI and CITICS, the Company's Joint Financial Advisers, have confirmed that they are satisfied that the profit forecast was made by the Board after due and careful enquiry. The full text of the letter from the Joint Financial Advisers is contained in Appendix II to this announcement. Ernst & Young, the Company's reporting accountant, has reported on the arithmetical accuracy of the calculations of the discounted cash flow forecast contained in the Asset Appraisal Reports. The full text of the report from Ernst & Young is contained in Appendix III to this announcement.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

(1) Accelerate the positioning of China Power as the flagship clean energy listed subsidiary of SPIC

The Acquisitions involve acquisition of power generation projects with a total capacity of 9,268.3MW, including 7,531.7MW in operation and 1,736.6MW under construction. Upon completion of the Acquisitions, it is expected that the proportion of the Company's installed capacity of clean energy will increase by approximately 6.9 percentage points. The Acquisitions will further consolidate China Power's positioning as the flagship clean energy listed subsidiary of SPIC, which in turn broadens China Power's operation and development potentials.

(2) Firmly implement the new development strategy of China Power

The acquisition of high-quality clean energy assets involved in the Acquisitions shall further enhance the asset structure of the Company, firmly promote the implementation of the Company's new development strategy of transforming itself into a leading clean and low-carbon energy provider and a frog-leap step towards its strategic goal. Details of the new development strategy are set out in the announcement of the Company dated 22 October 2021.

(3) Expand the regional layout of China Power's business and promote its industry influence

The Acquisitions involve assets located in 21 provinces in the PRC, mainly in regions such as Shanxi, Inner Mongolia, Heilongjiang, Ningxia, Shandong and Xinjiang, which will significantly strengthen China Power's industry influence in the power markets in various regions as well as upstream and downstream industry chains, therefore creating better opportunities for the Company's future development.

(4) Improve profitability of the Group

The Acquisitions will provide stable and attractive earnings which are expected to improve the Group's overall operating results and therefore the competitiveness of the Group. The profitability of these assets can be further enhanced (which will in turn contribute to the profitability of the Group) through subsequent technical transformation, capital coordination and management synergy.

Taking into consideration all of the aforementioned in relation to the Acquisitions, the Directors (save for the members of the Independent Board Committee who will express their view after having received Gram Capital's advice in writing on the Acquisitions) expect that the Acquisitions will have a positive impact on the Company's operations and future prospects. They are of the view that the consideration for the Acquisitions and the other terms of the Acquisition Agreements are fair and reasonable, on normal commercial terms and that the Acquisitions are in the interest of the Company and the Shareholders as a whole.

PROPOSED FINANCING FOR THE ACQUISITIONS

The cash consideration payable by the Company to each of SPIC, SPIC Guangdong and CPCEC under the Acquisition Agreements will be funded by the Group's internal resources and/or external debt financing.

INFORMATION ON THE TARGET COMPANIES

Set out below are the principal business and installed capacity in operation of the Target Companies as at the date of this announcement:

No.	Target Company	Principal business	Installed capacity in operation (MW)
1	Beijing Company	Generation and sale of electricity in the PRC	4,529.9[Note]
2	Heilongjiang Company	Generation and sales of electricity in the PRC, including investment, development, operation and management of wind power, photovoltaic power and biomass power plants	1,650.0
3	Fujian Company	Investment holdings, generation and sales of electricity and the development of power plants in the PRC	514.1
4	Shanxi Company	Generation and sales of electricity in the PRC, including investment, development, operation and management of photovoltaic power and wind power plants	522.2
5	Jieyang Company	Generation and sales of electricity	315.5
		Total	7,531.7

Note: This figure represents the entire installed capacity of Beijing Company, of which the Company proposes to acquire 55.15%.

Set out below is the profit before/after taxation, total assets and net assets of the Target Companies for the relevant periods or as at the dates indicated:

Beijing Company

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)
Profit before taxation	1,066,212	942,159
Profit after taxation	915,875	770,722

	As at 31 December 2021 (RMB'000)	As at 31 December 2022 (RMB'000)
Total assets	35,437,465	37,772,456
Net assets	11,083,146	13,102,160

Heilongjiang Company

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)
Profit before taxation	72,321	57,509
Profit after taxation	63,717	48,963

	As at 31 December 2021 (RMB'000)	As at 31 December 2022 (RMB'000)
Total assets	8,484,372	11,274,027
Net assets	1,240,421	1,773,900

Fujian Company

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)
Profit before taxation	37,272	60,532
Profit after taxation	34,901	45,608

	As at 31 December 2021 (RMB'000)	As at 31 December 2022 (RMB'000)
Total assets	2,883,794	4,957,754
Net assets	761,568	1,653,540

Shanxi Company

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)
Profit before taxation	12,137	33,902
Profit after taxation	10,312	20,701

	As at 31 December 2021 (RMB'000)	As at 31 December 2022 (RMB'000)
Total assets	1,354,786	5,248,972
Net assets	214,990	1,084,909

Jieyang Company

	For the year ended 31 December 2021 (RMB'000)	For the year ended 31 December 2022 (RMB'000)
Profit before taxation	116,848	292,357
Profit after taxation	116,848	292,340

	As at 31 December 2021 (RMB'000)	As at 31 December 2022 (RMB'000)
Total assets	7,702,918	8,352,957
Net assets	1,344,233	1,810,725

INFORMATION ON THE GROUP, SPIC GUANGDONG, CPCEC AND SPIC

The Company is a core 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.

SPIC Guangdong is a company incorporated in the PRC, an indirectly wholly-owned subsidiary of SPIC. SPIC Guangdong and its subsidiaries are principally engaged in the generation and supply of electricity and heat, provision of energy saving management services and technical services in relation to wind power and photovoltaic power generation, etc.

CPCEC is a company incorporated in the PRC, a wholly-owned subsidiary of SPIC. CPCEC and its subsidiaries are principally engaged in the manufacturing, supply, and sales of equipment and components for hydropower and thermal power plants, act as the contractor for construction of power plant projects, and act as tendering and bidding agents, etc.

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

Acquisitions

As at the date of this announcement, SPIC indirectly owns approximately 61.06% of the issued share capital of the Company and is the ultimate controlling shareholder of the Company. Accordingly, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules. Each of SPIC Guangdong and CPCEC is a wholly-owned subsidiary ultimately owned and controlled by SPIC. As such, SPIC Guangdong and CPCEC are both connected persons of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, when aggregated, exceed(s) 25% but all are below 100%, the Acquisitions constitute (i) major transactions of the Company subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules, and (ii) connected transactions of the Company subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Put Option

The exercise of the Put Option is at the discretion of the Company. According to Rule 14A.79(2) of the Listing Rules, the grant of the Put Option is classified based on the amount of the premium payable by the Company. As no premium is payable for the grant of the Put Option to the Company, such grant falls within the *de minimis* threshold and is exempt from all reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules. The Company will comply with the requirements of the applicable Listing Rules in this respect as and when appropriate.

General Meeting

A GM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other matters, the Acquisition Agreements and the Acquisitions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, apart from the shareholding companies of the Company, namely CPI Holding, CPDL, SPIC Finance HK and CPNE (each of whom is required to abstain from voting), no other shareholder of the Company will be required to abstain from voting on the resolution for approving the Acquisition Agreements and the Acquisitions contemplated thereunder at the GM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise and provide recommendations to the Independent Shareholders on the Acquisitions, the terms of the Acquisition Agreements and how to vote. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Acquisitions, a letter of recommendation from the Independent Board Committee, a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, and the arrangement of the GM are expected to be despatched to the Shareholders on or before 17 August 2023.

EXPERTS AND CONSENTS

The following are the qualifications of the professional advisers which have given opinions or advice contained in this announcement:

Name	**Qualifications**
CITICS	a licensed corporation to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
CSCI	registered institution under the SFO, licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Ernst & Young	certified public accountants
PCAA	independent and qualified PRC appraiser
Zhongtianhua	independent and qualified PRC appraiser

As at the date of this announcement, all of the experts set out above:

(i) did not have any beneficial 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) did not have any direct or indirect interests in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

All of the experts set out above had given and had not withdrawn their written consents to the issue of this announcement with the inclusions of their reports, opinions or statements (as the case may be) as set out in this announcement and references to their name in the form and context in which they are included.

The Acquisitions may or may not proceed to Completion and/or the Settlement of the Acquisitions. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Acquisitions"	Acquisition I and Acquisition II (individually the Acquisition where the context requires)
"Acquisition Agreements"	Agreement I and Agreement II (individually the Acquisition Agreement where the context requires)
"Acquisition I"	the proposed acquisition of Equity Interests I by the Company pursuant to Agreement I
"Acquisition II"	the proposed acquisition of Equity Interests II by the Company pursuant to Agreement II
"Agreement I"	the conditional sale and purchase agreement dated 26 July 2023 entered into by the Company and SPIC in relation to Acquisition I
"Agreement II"	the conditional sale and purchase agreement dated 26 July 2023 entered into by the Company, SPIC Guangdong and CPCEC in relation to Acquisition II
"Appraisal Benchmark Date"	the date on which the appraised value of the Target Companies are determined as set out in the Asset Appraisal Reports, which is 31 March 2023

"Asset Appraisal Reports"	(i) the asset appraisal reports prepared by PCAA in relation to Beijing Company, Heilongjiang Company and Shanxi Company; and (ii) the asset appraisal reports prepared by Zhongtianhua in relation to Fujian Company and Jieyang Company, in each case as filed in accordance with the relevant regulations as promulgated by the SASAC
"associates"	has the meaning given to it under the Listing Rules
"Beijing Company"	SPIC Beijing Electric Power Co., Ltd (國家電投集團北京電力有限公司), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of SPIC, together with its subsidiaries from time to time (excluding the Reorganization Equity Interests to which Beijing Company relates)
"CITICS"	CITIC Securities (Hong Kong) Limited (中信證券(香港)有限公司), one of the Company's joint financial advisers
"Company", "China Power" or "Purchaser"	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"	with respect to each of the Equity Interests, after all the conditions precedent to the relevant Acquisition Agreement have been satisfied or waived (if applicable), the completion of the SAMR filings for the change in business registration in relation to the transfer of the respective Equity Interests in the relevant Target Company pursuant to the relevant Acquisition Agreement
"Completion Date"	with respect to each of the Equity Interests, the date of Completion
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"CPCEC" or "Seller" as to Agreement II	China Power Complete Equipment Co., Ltd. (中國電能成套設備有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of SPIC, thus an associate of SPIC and a connected person of the Company
"CPDL"	China Power Development Limited, a company incorporated in the British Virgin Islands with limited liability, a substantial shareholder of the Company and a subsidiary of CPI Holding, thus an associate of SPIC and a connected person of the Company

"CPI Holding"	China Power International Holding Limited, a company incorporated in Hong Kong with limited liability, the controlling shareholder of the Company and a wholly-owned subsidiary of SPIC, thus an associate of SPIC and a connected person of the Company
"CPNE"	China Power (New Energy) Holdings Limited, a company incorporated in Hong Kong with limited liability, a substantial shareholder of the Company and an indirect non wholly-owned subsidiary of SPIC, thus an associate of SPIC and a connected person of the Company
"CSCI"	China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司), one of the Company's joint financial advisers
"Director(s)"	director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Acquisitions (assuming the Acquisitions have been completed)
"Equity Interests"	Equity Interests I and Equity Interests II
"Equity Interests I"	55.15% equity interest in Beijing Company, 100% equity interest in Fujian Company, Heilongjiang Company and Shanxi Company
"Equity Interests II"	100% equity interest in Jieyang Company
"Fujian Company"	SPIC Fujian Electric Power Co., Ltd (國家電投集團福建電力有限公司), a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of SPIC, together with its subsidiaries from time to time (excluding the Reorganization Equity Interests to which Fujian Company relates)
"GM"	the general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Acquisition Agreements and the Acquisitions contemplated thereunder
"Group"	the Company and its subsidiaries from time to time
"Heilongjiang Company"	SPIC Heilongjiang Power Co., Ltd.* (國家電投集團黑龍江電力有限公司), a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of SPIC, together with 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
"Independent Board Committee"	the committee of all the independent non-executive Directors, consisting of Mr. LI Fang, Mr. YAU Ka Chi and Mr. HUI Hon Chung, Stanley, which has been formed to advise the Independent Shareholders in respect of the Acquisitions
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited (嘉林資本有限公司), a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions
"Independent Shareholder(s)"	Shareholder(s) of the Company other than SPIC and its associates
"Jieyang Company"	Jieyang Qianzhan Wind Power Co., Ltd.* (揭陽前詹風電有限公司), a company incorporated in the PRC with limited liability and owned as to 95% by SPIC Guangdong and 5% by CPCEC, respectively
"Joint Financial Advisers"	CSCI and CITICS
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MW"	megawatt, that is one million watts. The installed capacity of a power plant is generally expressed in MW
"PCAA"	Pan-China Assets Appraisal Co., Ltd. (北京天健興業資產評估有限公司), an independent and qualified PRC appraiser
"PRC" or "China"	the People's Republic of China
"Pre-Acquisition Reorganization"	the completion of the disposal of the Reorganization Equity Interests by Beijing Company and Fujian Company pursuant to the Reorganization Agreements
"Put Option"	the right of the Company under the Acquisition Agreements to require the Seller(s) or any third party appointed by the Seller(s) to buy back the relevant Equity Interests under specific circumstances, further details of which are set out above in the section titled "Put Option under the Acquisition Agreements" in this announcement

"Reorganization Agreements"	the conditional sale and purchase agreements entered or to be entered into by Beijing Company and Fujian Company and the respective purchasers in relation to the disposal of the Reorganization Equity Interests by Beijing Company and Fujian Company
"Reorganization Equity Interests"	the equity interest of: (i) 100% in Fuxin Shenhua Xiehe Wind Power Generation Co., Ltd.* (阜新申華協合風力發電有限公司); (ii) 70% in Beijing Jingfeng Guowei Combined Energy Co., Ltd.* (北京京豐國威综合能源有限公司); (iii) 100% in Shanxi Zhongshengda Energy Investment Co., Ltd.* (山西中盛達能源投資有限公司); (iv) 64.09% in Mianchi Xiangfeng New Energy Co., Ltd.* (澠池祥風新能源有限公司); (v) 100% in China Power Investment Corporation Qingyun Photovoltaic Power (Lianyungang) Co., Ltd.* (中電投青雲光伏發電（連雲港）有限公司); (vi) 100% in Zhangzhou Jiaomei SPIC New Energy Development Co., Ltd.* (漳州角美國電投新能源開發有限公司); (vii) 100% in State Power Investment Corporation Pingtan Energy Co., Ltd.* (國家電投集團平潭能源有限公司) ("SPIC Pingtan"); and (viii) 60% in Nanping Ronghua SPIC New Energy Co., Ltd.* (南平市榮華國電投新能源有限公司) (a direct non wholly-owned subsidiary of SPIC Pingtan which is held by SPIC Pingtan as to 60%). *All of the above companies are incorporated in the PRC*
"RMB"	Renminbi, the lawful currency of the PRC
"SAMR"	subordinate units of State Administration for Market Regulation (國家市場監督管理總局) of the PRC
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC* (中華人民共和國國務院國有資產監督管理委員會)

"Settlement of the Acquisitions"	the settlement of the consideration by the Company after the Completion as required under the Acquisition Agreements
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanxi Company"	SPIC Shanxi Power Co., Ltd.* (國家電投集團山西電力有限公司), a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of SPIC, together with its subsidiaries from time to time
"Share(s)"	the ordinary share(s) of the Company
"Shareholder(s)"	person(s) whose name(s) appear on the register of members as registered holder(s) of the Share(s)
"SPIC" or "Seller" as to Agreement I	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)
"SPIC Finance HK"	SPIC International Finance (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SPIC, thus an associate of SPIC
"SPIC Guangdong" or "Seller" as to Agreement II	SPIC Guangdong Electric Power Co., Ltd. (國家電投集團廣東電力有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of SPIC, thus an associate of SPIC and a connected person of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Target Companies"	Target Companies I and Target Company II (individually the Target Company where the context requires)
"Target Companies I"	Beijing Company, Heilongjiang Company, Fujian Company and Shanxi Company, each of which a Target Company I
"Target Company II"	Jieyang Company

"Zhongtianhua"	Beijing Zhongtianhua Assets Appraisal Co., Ltd.* (北京中天華資產評估有限責任公司), an independent and qualified PRC appraiser

* *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, 26 July 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.

APPENDIX I: KEY ASSUMPTIONS OF THE ASSET APPRAISAL REPORTS

For the purpose of complying with Rule 14.62 of the Listing Rules, set out below are the principal assumptions of the income approach valuation with discounted cash flow method (which constituted profit forecast under Rule 14.61 of the Listing Rules) set out in the Asset Appraisal Reports in respect of the Target Companies:

General Assumptions

(I) General assumptions applicable to all companies

1. Transaction assumption: It is assumed that all assets to be appraised are in the course of transaction, and the appraiser carries out the valuation by benchmarking to simulated market based on the conditions for transaction of the assets to be appraised.

2. Open market assumption: An open market assumption is an assumption made on the conditions of the market where the assets are proposed to enter and how the assets will be affected under such market conditions. An open market, which has been fully developed with comprehensive market conditions, refers to a competitive market with willing buyers and sellers acting voluntarily and rationally on arm's length basis, having sufficient opportunities and time to obtain market information and under no compulsion or restrictions to buy or sell.

3. Assumption of continuous use: The assumption of continuous use is an assumption made on the conditions of the market where the assets are proposed to enter and the state of the assets under such market conditions. It is first assumed that the assets to be appraised are in use, and it is further assumed that the assets that are in use will be used continuously. Under the assumption of continuous use, no consideration is given to the conversion of the use of the assets or utilization of the assets under the best condition. Thus, the valuation results are subject to a restricted scope of applicability.

Specific Assumptions

(I) Specific assumptions applicable to all companies

1. There are no material changes in the existing relevant national laws, regulations and policies, or in the national macroeconomic conditions. There are no material changes in the political, economic and social environment of the regions where the parties to this transaction are located. There are no human factors or other force majeure factors that may have a material adverse impact on the enterprise.

2. Unless otherwise stated, it is assumed that the company is in full compliance with all relevant laws and regulations.

3. It is assumed that the accounting policies to be adopted by the company in the future are basically consistent with those adopted in the preparation of this report in material aspects.

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

5. There are no material changes in, amongst others, interest rates, exchange rates, taxation bases, tax rates and policy-based levies.

6. It is assumed that the operator of the company will be responsible and the management of the company will have the capability to perform its duties.

7. It is assumed that the business scope and mode of the company will be in line with the current direction on the basis of the existing management approach and standard.

8. The principal businesses, revenue and cost composition and cost controls of the new energy project companies directly or indirectly held by the appraised entity during the future operating period will be in line with the management's expectations without material changes.

9. It is assumed that the enterprise will operate as a going concern within the life span of the power station in view of the actual condition of the assets as at the Appraisal Benchmark Date.

10. Each asset under this appraisal is appraised based on the actual inventory as at the Appraisal Benchmark Date, and the current market price of the relevant assets is based on the effective domestic prices as at the Appraisal Benchmark Date.

11. It is assumed that the projected annual sales revenue, costs and expenses of the enterprise will be generated evenly.

12. It is assumed that the wind power enterprise will determine the forecast period based on the approved period and design life of the project, and the subsidy period and operation term of power generation are 20 years and 20 years, respectively.

13. It is assumed that the photovoltaic power enterprise will determine the forecast period based on the approved period and design life of the project, and the subsidy period and operation term of power generation are 20 years and 25 years, respectively.

14. It is assumed that the residual value of fixed assets and intangible assets of the new energy power stations will be recovered at their carrying values as at the end of the operation period.

15. It is assumed that the calculation of compensation for ancillary services and grid-connected operation assessment of each power station under the appraised entity will remain consistent with those in the historical years.

16. It is assumed that the benchmark tariff and subsidized tariff implemented by the local government of the region where the appraised entity is located as at the benchmark date will remain unchanged during the forecast period. It is assumed that the policies for power generation and on-grid electricity in the region where the power station is located in future years will remain consistent with those implemented as at the benchmark date.

17. According to Article 1 of the "Announcement on Extension of Enterprise Income Tax Policy for the Development of the Western Regions (Announcement [2020] No. 23 of the Ministry of Finance) (《關於延續西部大開發企業所得稅政策的公告》(財政部公告 2020 年第 23 號))" issued by the Ministry of Finance (MOF), the State Administration of Taxation (SAT) and the National Development and Reform Commission (NDRC), "from 1 January 2021 to 31 December 2030, enterprise income tax shall be levied at a reduced rate of 15% on enterprises engaging in the encouraged industries and established in the Western Regions". According to

the "Announcement on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses (Announcement [2023] No. 6 of the MOF and the SAT) (《關於小微企業和個體工商戶所得稅優惠政策的公告》(財政部 稅務總局公告 2023 年第 6 號))" and the "Announcement on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement [2022] No. 13 of the MOF and the SAT) (《關於進一步實施小微企業所得稅優惠政策的公告》(財政部 稅務總局公告 2022 年第 13 號))", the portion of the annual taxable income of small and micro enterprises not exceeding RMB3 million can enjoy 25% taxable income deduction and are subject to corporate income tax at a rate of 20% until 31 December 2024. Considering that the Enterprise Income Tax Policy for the Development of the Western Regions and the Preferential Income Tax Policies for Small and Micro Enterprises have been extended for several times, this appraisal assumes that the above policies will continue throughout the forecast period.

18. According to the relevant provisions of the "Notice of the Ministry of Finance and the State Administration of Taxation on the Value-added Tax Policy for Wind Power Generation (Cai Shui [2015] No. 74) (《財政部、國家稅務總局關於風力發電增值稅政策的通知》(財稅[2015]74 號))", "starting from 1 July 2015, taxpayer who sell self-produced power products using wind power will be subject to the policy of immediate 50% value-added tax (VAT) refund upon collection". The impact of this policy has been considered in this appraisal and it is assumed that this policy will continue until the end of the operation period of the project.

19. This appraisal assumes that the appraised entity and its subsidiaries will not develop or invest in any new projects based of the existing investment projects in future years, and that the existing projects will exit at maturity and cease to operate upon the expiry of the operation period of the last project in which it has invested. This appraisal assumes that no further costs in relation to the development and investment of new projects will be incurred in future years.

20. In the appraisal under the market approach, both the comparable companies and the appraised entity are able to continue their operations as a going concern in accordance with the business model, business structure and capital structure publicly disclosed at the time of the transaction.

21. In the appraisal under the market approach, the information disclosed by the comparable companies are true, accurate and complete, and there are no false statements, misstatements or material omissions that may affect the value judgment.

22. In the appraisal under the market approach, the appraisers select the comparison dimensions and indicators only based on the relevant information of the comparable companies publicly disclosed, without consideration to the impact of other non-public matters on the value of the appraised entity.

23. There are no other force majeure and unforeseeable factors that may have a material adverse impact on the enterprise.

(II) Specific assumptions applicable to Heilongjiang Company, Shanxi Company and Beijing Company

1. In forecasting the collection of subsidies for renewable energy of the power stations, it is assumed that the outstanding subsidy receivables as at the Appraisal Benchmark Date will be received in an evenly distributed manner based on the actual default cycle experienced by the power stations. The subsidies will be received at a faster pace in future years and the collection cycle of subsidies for renewable energy in 2030 and beyond will be 1 year.

Assumptions applicable to individual companies only

(I) Specific assumptions applicable to Fujian Company only

1. If the collection cycle of national subsidies for new energy projects directly or indirectly held by the appraised entity is about 1 year as at the Appraisal Benchmark Date (i.e. the national subsidies before March 2022 have been received as at the benchmark date, 31 March 2023), it is assumed that the collection cycle of national subsidies for 2023 to 2029 shall be 1 year (the national subsidies for 2022 will be received in 2023, the national subsidies for 2023 will be received in 2024, and so on); if the collection cycle of national subsidies as at the Appraisal Benchmark Date is about 2 years (i.e. the national subsidies before March 2021 have been received as at the benchmark date), it is assumed that the collection cycle of national subsidies for 2023 to 2029 will be 2 years (the national subsidies for 2021 will be received in 2023, the national subsidies for 2022 will be received in 2024, and so on); if the collection cycle of national subsidies as at the Appraisal Benchmark Date is about 3 years (i.e. the national subsidies before March 2020 have been received as at the benchmark date), it is assumed that the national subsidies for 2020 and 2021 will be received in 2023 and the collection cycle of national subsidies for 2024 to 2029 will be 2 years (the national subsidies for 2022 will be received in 2024, the national subsidies for 2023 will be received in 2025, and so on); and it is assumed that the accounting period of national subsidies for all projects in 2030 and beyond will be 1 year.

(II) Specific assumptions applicable to Jieyang Company only

1. Assuming that the company will be able to maintain normal operations under the current business model, the valid period of the Electricity Business License can be extended normally to 25 years, which is the life cycle of the offshore wind power projects;

2. This appraisal assumes that the provision to be made by the company for safety production costs in future years will be expensed in full by the end of the life cycle of the project;

3. This appraisal assumes that the reasonable subsidy utilization hours of the entire life cycle of the offshore wind power project of the appraised entity are 52,000 hours;

4. The appraised entity has not received any national subsidy for new energy power generation since it was connected to the power grid in July 2021. It is assumed that the collection period of national subsidy for the appraised entity is 2 years for 2030 and before, and 1 year after 2030.

(III) Valuation assumptions under the income approach applicable to Heilongjiang Company only

1. In forecasting the collection of subsidies for renewable energy of the power stations, it is assumed that the outstanding subsidy receivables as at the Appraisal Benchmark Date will be received in an evenly distributed manner based on the actual default cycle of the power stations. The subsidies will be received at a faster pace in future years and the collection cycle of subsidies for renewable energy in 2030 and beyond will be 1 year;

2. According to the "Electricity Business License of the People's Republic of China (《中華人民共和國電力業務許可證》)" (No. 1020921-01036) issued by the Northeast China Energy Regulatory Bureau of the NEA, the license is valid from 30 June 2021 to 29 June 2041. It is assumed that the forecast period of the biomass heat and electricity cogeneration project will be determined based on the approved term of the electricity business, and the terms of both heat supply and electricity supply are 20 years;

3. It is assumed that the policy of VAT exemption for revenue from heating fees derived from heat supply services provided by heat supply enterprises to individual residents and the policy of exemption from real estate tax and urban land use tax for plants and land used for heat supply services provided to residents that are applicable to heat supply enterprises will continue;

4. It is assumed that the prices of heat supply implemented by the local government of the appraised entity will remain unchanged as that of the Appraisal Benchmark Date during the forecast period;

5. It is assumed that the heat supply demonstration project under construction will be completed as planned and provide heat supply services as scheduled;

6. It is assumed that the entrustment operation cooperation agreements entered into by and between the appraised entity and Beidahuang Group Heilongjiang 853 Farm Co., Ltd.* (北大荒集團黑龍江八五三農場有限公司) and Beidahuang Group Heilongjiang Yanjun Farm Co., Ltd* (北大荒集團黑龍江延軍農場), respectively can be renewed upon expiry and the appraised entity can continue to receive entrustment fees as agreed under the contracts;

7. It is assumed that Daqing Lvrui Solar Power Generation Co., Ltd.* (大慶綠銳太陽能發電有限公司) can receive 90% rebate for land use tax during the forecast period;

8. It is assumed that Liaoning Zhitong Dongguan Photovoltaic Power Co., Ltd.* (遼寧直通東關光伏電力有限公司), Liaoning Huayu Sanxin Photovoltaic Power Co., Ltd.* (遼寧華宇三鑫光伏電力有限公司) and Liaoning Sanyi Photovoltaic Power Co., Ltd.* (遼寧三義光伏電力有限公司) are eligible to apply for the implementation of the standards regarding subsidy amount and subsidized tariff for Class II resource areas under the "Fa Gai Neng Yuan Circular [2018] No. 1459";

9. It is assumed that the appraised entity will not make any deductions for the clean heat supply transactions and fund pools during the forecast period.

(IV) Valuation assumptions under the income approach applicable to Shanxi Company only

1. As the photovoltaic power station of Datong Yunzhou Longji Lvneng Clean Energy Co., Ltd.* (大同市雲州區隆基綠能清潔能源有限公司) with an installed capacity of 7MW and the photovoltaic power station of Guangling Longxing Lvneng Clean Energy Co., Ltd.* (廣靈縣隆興綠能清潔能源有限公司) with an installed capacity of 7.07MW have been included in the second batch of subsidy list of renewable energy power generation projects for poverty alleviation, it is assumed that the subsidized tariffs for renewable energy in relation to poverty alleviation capacity will be deferred for 3 months;

2. It is assumed that SPIC Shouyang Clean Energy Co., Ltd.* (國家電投集團壽陽清潔能源有限公司), Pianguan Intelligent Energy Wind Power Co., Ltd.* (偏關智慧能源風力發電有限公司) and the photovoltaic power station of Datong Yunzhou Longji Lvneng Clean Energy Co., Ltd.* (大同市雲州區隆基綠能清潔能源有限公司) with an installed capacity of 23MW, and the photovoltaic power station of Guangling Longxing Lvneng Clean Energy Co., Ltd.* (廣靈縣隆興綠能清潔能源有限公司) with an installed capacity of 22.97MW will be included in the subsidy list of renewable energy generation projects in 2023, and the subsidized tariff will be received starting from 2024;

3. It is assumed that the outstanding subsidy receivables of the rooftop photovoltaic power station of Northern Machinery* (北方機械)/the rooftop photovoltaic power station of Huyan Water Plant* (呼延水廠), the photovoltaic power station of Datong Yunzhou Longji Lvneng Clean Energy Co., Ltd.* (大同市雲州區隆基綠能清潔能源有限公司) with a non-poverty alleviation installed capacity of 23MW, the photovoltaic power station of Guangling Longxing Lvneng Clean Energy Co., Ltd.* (廣靈縣隆興綠能清潔能源有限公司) with a non-poverty alleviation installed capacity of 22.93MW, SPIC Shouyang Clean Energy Co., Ltd.* (國家電投集團壽陽清潔能源有限公司), Pianguan Intelligent Energy Wind Power Co., Ltd.* (偏關智慧能源風力發電有限公司), Datang Quanzhou New Energy Co. Ltd.* (大唐全州新能源有限公司)、Datang Yongzhou New Energy Co., Ltd.* (大唐永州新能源有限公司) and Shanxi Yulong Group Youyu Niuxinbao Wind Power Co., Ltd.* (山西玉龍集團右玉牛心堡風力發電有限公司) will be received in an evenly distributed manner based on the actual default cycle of the power stations. The subsidies will be received at a faster pace in future years and the collection cycle of subsidies for renewable energy in 2030 and beyond will be 1 year.

(V) Valuation assumptions under the income approach applicable to Beijing Company only

1. High-and-New-Tech Enterprises accredited in accordance with the "Administrative Measures for the Accreditation of High-and-New-Tech Enterprises" (《高新技術企業認定管理辦法》) and the "High-and-New-Tech Areas with Key State Support" (《國家重點支持的高新技術領域》) jointly promulgated by the Ministry of Science and Technology (MOST), the MOF and the SAT in April 2008 are eligible to apply for a preferential tax policy to enjoy a reduced enterprise income tax rate of 15% pursuant to the requirements of, amongst others, the new Enterprise Income Tax Law (《企業所得稅法》) and its Implementation Regulations (《實施條例》) effective on 1 January 2008, the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》) (hereinafter referred to as the "Tax Collection Law") and the Implementation Rules for the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法實施細則》) (hereinafter referred to as the "Implementation Rules"). As of the Appraisal Benchmark Date, Tianjin Zhongdian Shengfa Photovoltaic Power Generation Co., Ltd.* (天津中電晟發光伏發電有限公司) and SPIC Fanshi Yunwuyu Wind Power Co., Ltd.* (國家電投集團繁峙雲霧峪風電有限公司), both being subsidiaries of the appraised entity, have obtained the certificates of High-and-New-Tech Enterprises. This appraisal assumes that the income tax rate of the above companies is 15% up to the end of the operation period;

2. It is assumed that Beijing Company, as the platform management company, and its 11 Tier-1 subsidiaries will no longer receive management service fees from the new energy project operating companies in future years.

In accordance with the requirements of asset appraisal, it is determined that these assumptions are valid on the Appraisal Benchmark Date. When the economic environment changes greatly in the future, no liability will be assumed for deriving different appraisal conclusions due to changes of these assumptions.

APPENDIX II: LETTER FROM THE JOINT FINANCIAL ADVISERS

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

26 July 2023

Ladies and Gentlemen:

We refer to the announcement of China Power International Development Limited (the "**Company**") dated 26 July 2023 (the "**Announcement**") in relation to (i) the acquisition of 55.15% equity interest in SPIC Beijing Electric Power Co., Ltd. ("**Beijing Company**"), 100% equity interest in SPIC Fujian Electric Power Co., Ltd. ("**Fujian Company**"), SPIC Heilongjiang Power Co., Ltd. ("**Heilongjiang Company**") and SPIC Shanxi Power Co., Ltd.("**Shanxi Company**") (the "**Equity Interest I**") by the Company from State Power Investment Corporation Limited (國家電力投資集團有限公司); and (ii) the acquisition of 100% equity interest in Jieyang Qianzhan Wind Power Co., Ltd. ("**Jieyang Company**") (the "**Equity Interest II**") by the Company from SPIC Guangdong Electric Power Co., Ltd. (國家電投集團廣東電力有限公司) and China Power Complete Equipment Co., Ltd. (中國電能成套設備有限公司). Unless otherwise defined or if the context otherwise requires, all terms defined in the Announcement shall have the same meaning when used in this letter.

The Announcement refers to the valuation of Beijing Company, Heilongjiang Company and Shanxi Company by the independent appraiser, Pan-China Assets Appraisal Co., Ltd (北京天健興業資產評估有限公司) and the valuation of Fujian Company and Jieyang Company by the independent appraiser, Beijing Zhongtianhua Assets Appraisal Co., Ltd. (北京中天華資產評估有限責任公司) (together, the "**Independent Appraisers**"), which are contained in the respective asset appraisal reports (the "**Asset Appraisal Reports**"), all dated 25 July 2023 except for the asset appraisal report regarding the valuation of Beijing Company which was dated 26 July 2023, prepared by the Independent Appraisers for the purpose of the acquisition of Equity Interest I and Equity Interest II (together, the "**Proposed Acquisition**"). We understand that the Asset Appraisal Reports and certain other documents relevant to the Proposed Acquisition have been provided to you as directors of the Company (the "**Directors**") in connection with your consideration of the Proposed Acquisition. We understand that the Independent Appraisers have adopted income approach in arriving at the valuation results in the Asset Appraisal Reports, which is regarded as profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Hong Kong Listing Rules (the "**Listing Rules**").

For the purpose of this letter, we have (1) reviewed the Profit Forecast included in the Asset Appraisal Reports and disclosed in the Announcement, for which you as the Directors are solely responsible, (2) made enquiries with you, the management of the Company and the Independent Appraisers regarding the qualifications, bases and assumptions upon which the Profit Forecast in the Asset Appraisal Reports has been made, and (3) reviewed the reports to the Directors from Ernst & Young, dated 26 July 2023, as set forth in Appendix III to the Announcement regarding the calculations of discounted future cash flows on which the Profit Forecast is based. The Profit Forecast is based on a number of bases and assumptions. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the business of the Target Companies may or may not achieve as expected and the variation may be material.

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 Appraisers and the Company, for which the Independent Appraisers and the Company are solely responsible, we are of the opinion that the Profit Forecast disclosed in the Announcement have been made after due and careful enquiry by you. The Directors are responsible for such Profit Forecast, including the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Asset Appraisal Reports. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Asset Appraisal Reports and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us is for the purpose of reporting solely to you under Rule 14.62(3) of the Listing Rules and for no other purpose. We have not independently verified the assumptions or computations leading to the valuation as set out in the Asset Appraisal Reports. We have had no role or involvement and have not provided and will not provide any assessment of the valuation as set out in the Asset Appraisal Reports. We have assumed that all information, materials and representations provided to us by the Company and the Independent Appraisers, including all information, materials, and representations referred to or contained in the Announcement were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of this letter and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truthfulness or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the valuation as set out in the Asset Appraisal Reports.

Yours faithfully,

For and on behalf of
China Securities (International) Corporate Finance Company Limited

George Yen
Executive Director

CITIC Securities (Hong Kong) Limited

Edmund Chan
Managing Director, Head of M&A

APPENDIX III: LETTER 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.

26 July 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 EQUITY INTERESTS IN THE TARGET 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 dated 31 March 2023 prepared by Pan-China Assets Appraisal Co., Ltd. and Beijing Zhongtianhua Assets Appraisal Co., Ltd. in respect of certain companies (the "**Target Companies**") set out in the "**List of Target Companies**" below as at 31 March 2023 is based. The valuation is set out in the announcement of China Power International Development Limited (the "**Company**") dated 26 July 2023 (the "**Announcement**") in connection with the proposed acquisition of equity interests in the Target Companies. 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 Asset Appraisal 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 the Target 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

List of Target Companies

1. SPIC Fujian Electric Power Co., Ltd.
2. SPIC Heilongjiang Power Co., Ltd.
3. SPIC Beijing Electric Power Co., Ltd.
4. SPIC Shanxi Power Co., Ltd.
5. Jieyang Qianzhan Wind Power Co., Ltd.