

China Power signs equity cooperation agreement with Huainan Mining Industry Group for Pingwei Power Plant I and Pingwei Power Plant II

On 10 April, China Power entered into an equity cooperation agreement with Huainan Mining Industry Group for Pingwei Power Plant I and Pingwei Power Plant II. Pursuant to the equity cooperation agreement, Huainan Mining Industry Group will be transferred 40% equity interest of Pingwei Power Plant I and 15% equity interest of Pingwei Power Plant II. Upon the completion of the transaction, China Power will hold 60% equity interest of Pingwei Power Plant I, Pingwei Power Plant II and Pingwei Power Plant III, while Huainan Mining Industry Group will hold 40% equity interest of these three companies.



The equity cooperation between China Power and Huainan Mining Industry Group is of significant importance. First, against the backdrop of SOE reform, the transaction will set an example for cooperation between coal companies and the central government, contributing to stable profitability for both parties. Second, the transaction will encourage the collaboration between the central and local governments and ensure more reliable power supply for Anhui and even East China regions. Third, the transaction will join two capable companies together, help improve China Power's governance, quality and efficiency and inject more vitality into this state-owned enterprise.

Huainan Mining Industry Group is a large provincial coal corporation controlled by State-owned Assets Supervision and Administration of Anhui. It currently owns 12 large mines and

produced 79.84 million tonnes of coal in 2018.