

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.



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 TRANSACTIONS

Sale of Carbon Emission Allowances

On 30 October 2023, Pingwei III Power Plant, a non wholly-owned subsidiary of the Company, as the Seller, entered into four CEA Sale and Purchase Agreements with four Purchasers respectively, pursuant to which Pingwei III Power Plant will sell its unused Carbon Emission Allowances to each of the Purchasers.

As at the date of this announcement, SPIC owns approximately 62.89% 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.

The Purchasers are either indirect subsidiaries or an associate of SPIC. Accordingly, the Purchasers are connected persons of the Company and the Transactions constitute connected transactions of the Company under the Listing Rules.

The maximum aggregate consideration payable by the Purchasers to the Seller pursuant to the four CEA Sale and Purchase Agreements amounted to RMB145,614,560 (equivalent to approximately HK\$158,000,000). As certain applicable percentage ratios of the Transactions exceed 0.1% but are less than 5%, they are therefore subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that Pingwei III Power Plant, a non wholly-owned subsidiary of the Company, as the Seller, entered into four CEA Sale and Purchase Agreements with four Purchasers respectively on 30 October 2023 for selling its unused Carbon Emission Allowances to each of the Purchasers.

CEA SALE AND PURCHASE AGREEMENTS

Date

30 October 2023

Parties, Carbon Emission Allowances and Consideration

1. *CEA S&P Agreement I*

- (i) Pingwei III Power Plant, as the Seller; and
- (ii) Nayong Power Plant, as the Purchaser.

The Seller will sell 825,447 tCO₂e of its Carbon Emission Allowances to the Purchaser for a maximum consideration of RMB53,654,055 (equivalent to approximately HK\$58,000,000) (inclusive of all taxes).

2. *CEA S&P Agreement II*

- (i) Pingwei III Power Plant, as the Seller; and
- (ii) Qianbei Power Plant, as the Purchaser.

The Seller will sell 638,787 tCO₂e of its Carbon Emission Allowances to the Purchaser for a maximum consideration of RMB41,521,155 (equivalent to approximately HK\$45,000,000) (inclusive of all taxes).

3. *CEA S&P Agreement III*

- (i) Pingwei III Power Plant, as the Seller; and
- (ii) Chayuan Company, as the Purchaser.

The Seller will sell 663,596 tCO₂e of its Carbon Emission Allowances to the Purchaser for a maximum consideration of RMB43,133,740 (equivalent to approximately HK\$47,000,000) (inclusive of all taxes).

4. *CEA S&P Agreement IV*

- (i) Pingwei III Power Plant, as the Seller; and
- (ii) Taiyuan Company, as the Purchaser.

The Seller will sell 112,394 tCO₂e of its Carbon Emission Allowances to the Purchaser for a maximum consideration of RMB7,305,610 (equivalent to approximately HK\$8,000,000) (inclusive of all taxes).

Pricing Principles

The consideration was determined by mutual agreement after commercial negotiations and with reference to (i) the latest transaction prices concluded by other independent purchasers for trading the Carbon Emission Allowances (not less than two transaction prices obtained for comparison); (ii) the purchase prices tendered by the Purchasers; and (iii) the recent publicly available market transaction data for trading of carbon emission allowances in the PRC (including but not limited to the website <http://www.tanpaifang.com/tanshichang/>).

The final transaction price would be based on the weighted average price of Carbon Emission Allowances for block trades and single trades in the national carbon emissions trading market for the 30 trading days immediately prior to the date of signing the CEA Sale and Purchase Agreements, and that the maximum transaction unit price should not exceed RMB65 per tCO₂e.

Payment terms

Each of the Purchasers shall pay the consideration of the Carbon Emission Allowances to the designated account of Pingwei III Power Plant registered with 全國碳排放權交易系統 (National Carbon Emission Rights Trading System*) by one-off settlement on the next trading day immediately after the execution of the respective Transaction on the Shanghai Environment and Energy Exchange.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

In support of the national emissions controls and activation of the onshore national carbon emission rights trading market, Pingwei III Power Plant arranged to convert its unused Carbon Emission Allowances into economic benefits while fulfilling its social responsibility. The Company believes that it is in the best interest of Pingwei III Power Plant to enter into the CEA Sale and Purchase Agreements to realize its anticipated excess and unused Carbon Emission Allowances and therefore to increase the revenue of the Group.

The consideration of each of the four CEA Sale and Purchase Agreements conforms with the prevailing rates or on better terms than those obtained by Pingwei III Power Plant from other purchasers for procurement of Carbon Emission Allowances in the market. The Directors are of the view that the consideration of the four CEA Sale and Purchase Agreements and their respective terms are no less favourable to the Group than those from independent third parties.

The Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the four CEA Sale and Purchase Agreements have been entered into in 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 material interest in the Transactions or is required to abstain from voting on the relevant Board resolutions.

INFORMATION OF THE GROUP AND THE SELLER

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.

Pingwei III Power Plant is a limited liability company incorporated in the PRC and is principally engaged in the generation and sales of coal-fired power. It is owned as to 60% by the Company and 40% by Huainan Mining. Huainan Mining is a limited liability company incorporated in the PRC principally engaged in coal mining, power, logistics and finance and ultimately controlled by 淮河能源控股集團有限責任公司 (Huaihe Energy Holding Group Co., Ltd.*), a PRC State-owned enterprise.

INFORMATION OF THE PURCHASERS

Nayong Power Plant is a business unit incorporated in the PRC in December 2002 and is principally engaged in the generation and sales of coal-fired power. It is a coal-fired power plant which is equipped with 1,200MW power generating units. It is directly and wholly-owned by Guizhou Jinyuan and is indirectly held and ultimately controlled by SPIC.

Qianbei Power Plant is a business unit incorporated in the PRC in May 2001 and is principally engaged in the operation and production of electric power and heat. It is a coal-fired power plant which is equipped with 1,200MW power generating units. It is directly and wholly-owned by Guizhou Xidian Electric Power Co., Ltd. and is indirectly held and ultimately controlled by SPIC.

Chayuan Company is a company incorporated in the PRC in August 2012 and is principally engaged in the operation and production of electric power and heat. It owns a coal-fired power plant which is equipped with 1,320MW power generating units. It is directly and wholly-owned by Bridge Trust Co., Ltd. and is indirectly held and ultimately controlled by SPIC.

Taiyuan Company is a company incorporated in the PRC in September 2021 and is principally engaged in the electric power generation, power transmission, power supply and distribution. It owns a coal-fired power plant which is equipped with 1,200MW power generating units. It is a 50%-owned associate of Guizhou Jinyuan and is an indirect associate of SPIC.

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 62.89% 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.

The Purchasers are either indirect subsidiaries or an associate of SPIC. Accordingly, the Purchasers are connected persons of the Company and the Transactions constitute connected transactions of the Company under the Listing Rules.

The maximum aggregate consideration payable by the Purchasers to the Seller pursuant to the four CEA Sale and Purchase Agreements amounted to RMB145,614,560 (equivalent to approximately HK\$158,000,000). As certain applicable percentage ratios of the Transactions (as aggregated) exceed 0.1% but are less than 5%, the Transactions are therefore subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“CEA” or “Carbon Emission Allowances”	the national carbon emission trading quota assigned to each key emitting enterprise under the annual carbon emission benchmark value issued by the provincial-level Department of Ecology and Environment for the year ended 31 December 2023
“CEA Sale and Purchase Agreement(s)”	CEA S&P Agreement I, CEA S&P Agreement II, CEA S&P Agreement III and CEA S&P Agreement IV, collectively the “CEA Sale and Purchase Agreements” and individually the “CEA Sale and Purchase Agreement”
“CEA S&P Agreement I”	the agreement for sale and purchase of Carbon Emission Allowances of 825,447 tCO ₂ e entered into between Pingwei III Power Plant and Nayong Power Plant dated 30 October 2023
“CEA S&P Agreement II”	the agreement for sale and purchase of Carbon Emission Allowances of 638,787 tCO ₂ e entered into between Pingwei III Power Plant and Qianbei Power Plant dated 30 October 2023
“CEA S&P Agreement III”	the agreement for sale and purchase of Carbon Emission Allowances of 663,596 tCO ₂ e entered into between Pingwei III Power Plant and Chayuan Company dated 30 October 2023

“CEA S&P Agreement IV”	the agreement for sale and purchase of Carbon Emission Allowances of 112,394 tCO ₂ e entered into between Pingwei III Power Plant and Taiyuan Company dated 30 October 2023
“Chayuan Company”	貴州金元茶園發電有限責任公司 (Guizhou Jinyuan Chayuan Power Generation Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary of SPIC
“Company”	China Power International Development Limited (中國電力國際發展有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Guizhou Jinyuan”	國家電投集團貴州金元股份有限公司 (SPIC Guizhou Jinyuan Co., Ltd.*), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of SPIC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huainan Mining”	淮南礦業（集團）有限責任公司 (Huainan Mining Industry (Group) Company Limited*), a company incorporated in the PRC with limited liability
“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 which is a unit of measurement for the output of power generation
“Nayong Power Plant”	國家電投集團貴州金元股份有限公司納雍發電總廠 (SPIC Guizhou Jinyuan Co., Ltd., Nayong Power Plant*), a business unit incorporated in the PRC under Guizhou Jinyuan, which is an indirect non wholly-owned subsidiary of SPIC
“Pingwei III Power Plant” or “Seller”	Huainan Pingwei No.3 Electric Power Company Ltd. (淮南平圩第三發電有限責任公司), a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary owned as to 60% by the Company and 40% by Huainan Mining

“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
“Purchaser(s)”	Nayong Power Plant, Qianbei Power Plant, Chayuan Company and/or Taiyuan Company, as the case may be, when referring to the CEA Sale and Purchase Agreements, collectively the “Purchasers” and individually the “Purchaser”
“Qianbei Power Plant”	Guizhou Xidian Electric Power Co., Ltd., Qianbei Power Plant (貴州西電電力股份有限公司黔北發電廠), a business unit incorporated in the PRC under Guizhou Xidian Electric Power Co., Ltd., which is an indirect non wholly-owned subsidiary of SPIC
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiyuan Company”	貴州泰元能源有限公司 (Guizhou Taiyuan Energy Co., Ltd.*), a company incorporated in the PRC with limited liability and an associate indirectly owned as to 50% by SPIC
“tCO ₂ e”	tonnes of carbon dioxide equivalent. It is a standard unit for counting greenhouse gas emissions
“Transactions”	the transactions contemplated under the CEA Sale and Purchase Agreements

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.92 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, 30 October 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.