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# 四川能投發展股份有限公司
# Sichuan Energy Investment Development Co., Ltd.*

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01713)**

## CONNECTED TRANSACTION
## PRELIMINARY DESIGN CONTRACT

### PRELIMINARY DESIGN CONTRACT

On 16 November 2026 (after trading hours), the Project Implementation Units Affiliated with the Group (all being subsidiaries of the Company) and other project implementation units, together with Hydropower Group (as principal) and Sichuan Energy Investment Integrated Energy (as contractor) entered into the Preliminary Design Contract, pursuant to which Sichuan Energy Investment Integrated Energy agreed to undertake the survey and design work for the preliminary design phase of the 2026 Rural Power Grid Consolidation and Improvement Project.

### LISTING RULES IMPLICATIONS

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company, Sichuan Energy Investment Integrated Energy is a wholly-owned subsidiary of Hydropower Group, and certain other project implementation units (as defined below) are associates of Hydropower Group. Therefore, pursuant to Rule 14A.07 of the Listing Rules, Hydropower Group, Sichuan Energy Investment Integrated Energy and certain other project implementation units are connected persons of the Company. Consequently, under Chapter 14A of the Listing Rules, the transaction involving the contribution and payment of the contract price (inclusive of tax) of RMB2,716,264.00 (the amount of which is expected not to fluctuate by more than 5% for the final settlement) by the Project Implementation Units Affiliated with the Group to Sichuan Energy Investment Integrated Energy for the portion of the projects in which they participate under the Preliminary Design Contract constitutes a connected transaction of the Company.

As the Group's subsidiaries entered into two feasibility study report preparation service contracts with Sichuan Energy Investment Integrated Energy during the past twelve months, the aggregate historical transaction amount was RMB721,345.52. Pursuant to Rule 14A.81 of the Listing Rules, the historical transactions are required to be aggregated with the current transaction.

As the highest applicable percentage ratio for the transactions on an aggregated basis exceeds 0.1% but is less than 5%, and the consideration exceeds HK$3 million, the Preliminary Design Contract and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INTRODUCTION

On 16 November 2026 (after trading hours), the Project Implementation Units Affiliated with the Group (all being subsidiaries of the Company) and other project implementation units, together with Hydropower Group (as principal) and Sichuan Energy Investment Integrated Energy (as contractor) entered into the Preliminary Design Contract, pursuant to which Sichuan Energy Investment Integrated Energy agreed to undertake the survey and design work for the preliminary design phase of the 2026 Rural Power Grid Consolidation and Improvement Project.

## PRELIMINARY DESIGN CONTRACT

The principal terms of the Preliminary Design Contract are set out below:

Date: 16 November 2026 (after trading hours)

Parties:
(1) Hydropower Group (as principal);
(2) Sichuan Energy Investment Integrated Energy (as contractor);
(3) Project Implementation Units Affiliated with the Group; and
(4) Other project implementation units.

Project: 2026 Rural Power Grid Consolidation and Improvement Project

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| Project content: | The project involves the construction and renovation of 1 35kV substation, 1 main transformer with a capacity of 8 MVA. Furthermore, the project covers the construction and renovation of 13.35 km of 35kV lines. It also includes the construction and renovation of 1,170.46 km of 10kV lines, 1,954 distribution transformers, 4,397.56 km of low-voltage lines, and 185,068 customer meters. In addition, it involves the installation and upgrade of 708 integrated primary and secondary circuit breakers and 1,808 fault indicators. |
| Scope of works: | Survey and design (preliminary design phase), including but not limited to the following works: (1) completing the survey and design work for the preliminary design phase of the aforementioned Project (including the preparation of technical specifications for major equipment and materials, equipment and material lists, budgetary estimates, preliminary design drawings and specifications, etc.); (2) cooperating in the completion of the project preliminary design review; and (3) providing services such as cooperating in the preparation of construction drawings and the execution of work related to the preliminary design during the construction period. |
| Contract period: | Total calendar days of the construction period: 60 days. |

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| Conditions precedent: | The Preliminary Design Contract shall become effective subject to the satisfaction of all the following conditions: (1) the Preliminary Design Contract being signed or sealed by the legal representatives or their authorized agents of the principal, project implementation units and contractor, and each unit's official seal is affixed; (2) the principal having confirmed receipt of the approved performance guarantee submitted by the contractor; (3) the Rural Power Grid Investment Contract having been duly signed and becoming effective between the principal and the project implementation units (if any project implementation unit has not entered into an effective Rural Power Grid Investment Contract, the projects undertaken by such project implementation unit shall not be implemented, which shall not affect the implementation of projects of other project implementation units under the Preliminary Design Contract); (4) the project self-raised capital (if any) of the project implementation units being in place; and (5) if the project involves Project Implementation Units Affiliated with the Group, the Company having completed the necessary internal review and external approval procedures (as applicable) for the Preliminary Design Contract and the transactions thereunder in accordance with the relevant provisions of the Listing Rules. |
| Total contract price and allocation arrangements: | The total contract price is RMB21,731,886.00 (tax inclusive), covering the preliminary design fee, taxes and other expenses (including travel, meals and accommodation, communication, and document printing costs). This total price corresponds to the preliminary design service fees for all 35kV and 10kV projects under the 2026 Rural Power Grid Consolidation and Improvement Project, covering 23 counties (cities, districts) within Sichuan Province.<br><br>Each project implementation unit shall share the costs according to the projects under its responsibility. Among these, the Project Implementation Units Affiliated with the Group only participate in related projects in Xuzhou District, Gao County, Gong County, Junlian County, Pingshan County and Xingwen County, and the corresponding apportioned costs amount to RMB2,716,264.00 (tax inclusive). Based on the Company's experience and expectations, any fluctuation in the final settlement amount is not expected to exceed 5%. |

Payment terms: The contract price shall be paid as follows:

**(i) Advance Payment**

The advance payment shall be 30% of the contract price and shall be paid within 14 days after the corresponding project implementation units approve the application for advance payment.

**(ii) Progress Payments**

Once the relevant project implement units have reviewed the preliminary design data and issued review opinion, payment shall be made up to 70% of the contract amount (including the advance payment).

After the preliminary design is reviewed by the principal, payment shall be made up to 90% of the contract amount.

Upon the issuance of the approval document (or review opinion) by the principal after evaluation, payment shall be made up to 97% of the contract amount.

The remaining 3% shall be retained as a quality guarantee fund. Within 30 days after the preliminary design approval documents are issued, the contractor can apply to the relevant project implementation unit for the return of the quality guarantee fund. The relevant project implementation unit shall, within 14 days of receiving the application, verify it together with the contractor according to the provisions of the Preliminary Design Contract. If there are no objections, the quality guarantee fund shall be returned to the contractor without interest after verification.

Performance guarantee: The contractor shall provide performance guarantee in the amount equivalent to 10% of the total contract price to the principal by way of cash or a letter of guarantee. The period of the contractor's performance guarantee shall be six months after the expiration of the contract construction period. The performance guarantee shall be returned to the contractor within 3 months after the satisfactory completion and delivery of the preliminary design works.

## BASIS FOR DETERMINATION OF THE CONTRACT PRICE UNDER THE PRELIMINARY DESIGN CONTRACT

The contract price was the successful tender price offered by Sichuan Energy Investment Integrated Energy in the public tender and was accepted by the bid evaluation committee (評標委員會) after thorough evaluation pursuant to the relevant rules and regulations of the PRC and the tender documents. When selecting the successful bidder, the bid evaluation committee had considered a basket of factors including, among others, (i) from the business aspects, the bidders' background, experience, credibility and the bidding price for the required services; and (ii) from the technical aspects, the timeliness of work, quality control and assurance, and the qualification(s) possessed by the professional team of the bidder to be engaged.

## REASONS AND BENEFITS OF ENTERING INTO THE PRELIMINARY DESIGN CONTRACT

According to the Approval of the Sichuan Province Development and Reform Commission on Central Budgetary Investment Project of Sichuan Province Hydropower Investment and Management Group* (四川省水電投資經營集團) for the 2026 Rural Power Grid Consolidation and Improvement Project Feasibility Study Report (Chuan Fa Gai Neng Yuan [2025] No. 430) (四川省發展和改革委員會關於四川省水電投資經營集團2026年農網鞏固提升工程中央預算內投資項目可行性研究報告的批覆(川發改能源[2025]430號)), Hydropower Group shall be responsible for the unified organization and implementation of the 2026 Rural Power Grid Consolidation and Improvement Project. As such, Hydropower Group conducted public tender in compliance with the requirements of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》) and other relevant laws and regulations and finally determined the winning bidder of the Preliminary Design Contract. The implementation of the 2026 Rural Power Grid Consolidation and Improvement Project will further improve the power grid structure within the supply area of the Group, enhance the quality of rural power grid electricity supply within the supply area and better serve the rural areas and boost the economy.

In light of the above, the Directors (including the independent non-executive Directors, but excluding the Directors who have abstained from voting as described below) are of the view that (i) the Preliminary Design Contract was entered into in the ordinary and usual course of business of the Group; (ii) the transactions contemplated under the Preliminary Design Contract are on normal commercial terms or better; and (iii) the terms and conditions contained under the Preliminary Design Contract are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi are the Directors nominated by Hydropower Group, they have voluntarily abstained from voting on the Board resolutions to approve the entering into of the Preliminary Design Contract. Save as disclosed above, none of the Directors had material interest in the Preliminary Design Contract and hence no other Director was required to abstain from voting on the relevant resolution approving the same.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company, Sichuan Energy Investment Integrated Energy is a wholly-owned subsidiary of Hydropower Group, and certain other project implementation units (as defined below) are associates of Hydropower Group. Therefore, pursuant to Rule 14A.07 of the Listing Rules, Hydropower Group, Sichuan Energy Investment Integrated Energy and certain other project implementation units are connected persons of the Company. Consequently, under Chapter 14A of the Listing Rules, the transaction involving the contribution and payment of the contract price (inclusive of tax) of RMB2,716,264.00 (the amount of which is expected not to fluctuate by more than 5% for the final settlement) by the Project Implementation Units Affiliated with the Group to Sichuan Energy Investment Integrated Energy for the portion of the projects in which they participate under the Preliminary Design Contract constitutes a connected transaction of the Company.

During the past twelve months, the Group's subsidiaries entered into two feasibility study report preparation service contracts with Sichuan Energy Investment Integrated Energy in respect of the 2026 Rural Power Grid Project, the aggregate transaction amount was RMB721,345.52. As the historical transactions and the Preliminary Design Contract were both entered into with Sichuan Energy Investment Integrated Energy, such transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio for the transactions on an aggregated basis exceeds 0.1% but is less than 5%, and the consideration exceeds HK$3 million, the Preliminary Design Contract and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INFORMATION OF THE PARTIES INVOLVED

### The Company

The Company is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and electricity distribution and sales.

**Chuanneng Xuzhou Electricity**

Chuanneng Xuzhou Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company engaged in the development, generation and sale of power.

**Chuanneng Gao County Electricity**

Chuanneng Gao County Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company engaged in the generation and supply of power and the trading of electrical equipment.

**Chuanneng Gong County Electricity**

Chuanneng Gong County Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company engaged in the generation and supply of power.

**Chuanneng Junlian Electricity**

Chuanneng Junlian Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company engaged in power supply service and the trading of power supply equipment.

**Chuanneng Pingshan Electricity**

Chuanneng Pingshan Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company engaged in power generation and supply.

**Chuanneng Xingwen Electricity**

Chuanneng Xingwen Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company engaged in the supply of power and the manufacture and sale of electrical equipment.

**Hydropower Group**

Hydropower Group is owned as to approximately 77.74% directly by Sichuan Energy Development Group, and owned as to 9.16% indirectly by China Construction Bank Corporation* (中國建設銀行股份有限公司) (a bank with state-owned background in the PRC dually listed on the Stock Exchange (stock code: 00939) and the Shanghai Stock Exchange (stock code: 601939)), approximately 6.55% indirectly by Agricultural Bank of China Limited* (中國農業銀行股份有限公司) (a bank with state-owned background in the PRC dually listed on the Stock Exchange (stock code: 01288) and the Shanghai Stock Exchange (stock code: 601288)), and approximately 6.55% indirectly by Bank of China

Limited* (中國銀行股份有限公司) (a bank with state-owned background in the PRC dually listed on the Stock Exchange (stock code: 03988) and the Shanghai Stock Exchange (stock code: 601988)).

Sichuan Energy Development Group is owned as to 50.054% by State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government* (四川省政府國有資產監督管理委員會), 45.333% by Sichuan Development Co. and 4.613% by Sichuan Provincial Department of Finance* (四川省財政廳). Sichuan Development Co. is in turn owned as to 90% by the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government* (四川省政府國有資產監督管理委員會) and as to 10% by the Sichuan Provincial Department of Finance* (四川省財政廳), respectively.

**Sichuan Energy Investment Integrated Energy**

Sichuan Energy Investment Integrated Energy is a limited liability company established in the PRC, a wholly-owned subsidiary of Hydropower Group. It is principally engaged in power transmission and supply, installation, maintenance and testing of power receiving facilities, engineering survey, design and construction and engineering project costs consultation services.

**Other Project Implementation Units**

Other Project Implementation Units comprise Sichuan Energy Investment Changning Electric Power Co., Ltd.* (四川能投長寧電力有限公司), Dazhou Electricity Group Co., Ltd.* (達州電力集團有限公司), Sichuan Hydropower Group Dazhu Electricity Co., Ltd.* (四川省水電集團大竹電力有限公司), Sichuan Hydropower Investment and Management Group Kaijiang Mingyue Electricity Co., Ltd.* (四川省水電投資經營集團開江明月電力有限公司), Sichuan Hydropower Investment and Management Group Qu County Electricity Co., Ltd.* (四川省水電投資經營集團渠縣電力有限責任公司), Sichuan Hydropower Investment and Management Group Wanyuan City Longyuan Electricity Co., Ltd.* (四川省水電投資經營集團萬源市龍源電力有限責任公司), Sichuan Hydropower Investment and Management Group Meigu Electricity Co., Ltd.* (四川省水電投資經營集團美姑電力有限公司), Sichuan Hydropower Group Jinyang Electricity Co., Ltd.* (四川省水電集團金陽電力有限公司), Sichuan Zhaojue Electricity Co., Ltd* (四川昭覺電力有限責任公司), Sichuan Hydropower Investment and Management Group Dege Gesaer Electricity Co., Ltd.* (四川省水電投資經營集團德格格薩爾電力有限公司), Sichuan Guangan Aizhong Electricity Co., Ltd.* (四川廣安愛眾電力有限責任公司), the Qianfeng Branch of Sichuan Guangan Aizhong Electricity Co., Ltd.* (四川廣安愛眾電力有限責任公司前鋒分公司), Sichuan Yuechi Aizhong Electricity Co., Ltd.* (四川省岳池愛眾電力有限公司), Sichuan Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd* (四川省水電投資經營集團資中龍源電力有限公司), Huaying City Local Electric Power Co., Ltd.* (華鎣市地方電力有限責任公司) and Sichuan Pingwu Electricity (Group) Co., Ltd.* (四川省平武電力(集團)有限公司), all of

which (except the Qianfeng Branch, which is a branch of Sichuan Guangan Aizhong Electricity Co., Ltd.) are established in the PRC and are principally engaged in power generation and supply and are controlled or invested in by Hydropower Group.

## DEFINITIONS

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

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| "Preliminary Design Contract" | the preliminary design contract entered into on 16 November 2026 by the Project Implementation Units Affiliated with the Group and other project implementation units with Hydropower Group (as principal) and Sichuan Energy Investment Integrated Energy (as contractor), pursuant to which Sichuan Energy Investment Integrated Energy agreed to undertake the survey and design work for the preliminary design phase of the 2026 Rural Power Grid Consolidation and Improvement Project |
| "Director(s)" | the director(s) of the Company |
| "Board" | the board of Directors of the Company |
| "Company" | Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 01713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011 |
| "Group" | the Company and its subsidiaries |
| "Chuanneng Gao County Electricity" | Sichuan Yibin Gao County Chuanneng Electricity Co., Ltd.* (四川宜賓高縣川能電力有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| "Chuanneng Gong County Electricity" | Sichuan Yibin Gong County Chuanneng Electricity Co., Ltd.* (四川宜賓珙縣川能電力有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| "Chuanneng Junlian Electricity" | Sichuan Yibin Junlian Chuanneng Electricity Co., Ltd.* (四川宜賓筠連川能電力有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |

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| "Chuanneng Pingshan Electricity" | Sichuan Yibin Pingshan Chuanneng Electricity Co., Ltd.* (四川宜賓屏山川能電力有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| "Chuanneng Xuzhou Electricity" | Sichuan Yibin Xuzhou Chuanneng Electricity Co., Ltd.* (四川宜賓敘州川能電力有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| "Chuanneng Xingwen Electricity" | Sichuan Yibin Xingwen Chuanneng Electricity Co., Ltd.* (四川宜賓興文川能電力有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| "Hydropower Group" | Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司), a limited liability company established in the PRC and one of the controlling shareholders of the Company |
| "kV" | kilovolt, a unit of voltage, which is equal to one thousand volts |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time |
| "MVA" | Megavolt-Ampere, the standard for measuring power |
| "PRC" | the People's Republic of China, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Share(s)" | the Domestic Share(s) and the H Share(s) |
| "Shareholder(s)" | the holder(s) of the Shares of the Company |
| "Sichuan Development Co." | Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司), a company established in the PRC with limited liability |
| "Sichuan Energy Development Group" | Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司), a limited liability company established in the PRC and one of the controlling shareholders of the Company |

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| "Sichuan Energy Investment Integrated Energy" | Sichuan Energy Investment Integrated Energy Co., Ltd.* (四川能投綜合能源有限責任公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Hydropower Group |
| "Project Implementation Unit" | the county- or municipal-level power enterprises authorised by the principal to exercise the latter's rights within their respective county- or municipal-level administrative regions, fully performing the duties of the construction unit and are responsible for the entire process management of rural grid construction projects, encompassing project quality, safety, progress, investment, contract and information management, as well as internal audit of settlements and payment of project funds |
| "Project Implementation Units Affiliated with the Group" | Chuanneng Gao County Electricity, Chuanneng Gong County Electricity, Chuanneng Junlian Electricity, Chuanneng Pingshan Electricity, Chuanneng Xuzhou Electricity and Chuanneng Xingwen Electricity |
| "Proportionate Share of the Contract Price Payable" | the contract price (inclusive of tax) payable by the Project Implementation Units Affiliated with the Group to Sichuan Energy Investment Integrated Energy under the Preliminary Design Contract for the relevant projects under their responsibility in Xuzhou District, Gao County, Gong County, Junlian County, Pingshan County and Xingwen County, amounting to RMB2,716,264.00 |

By order of the Board
**Sichuan Energy Investment Development Co., Ltd.***
**He Jing**
*Chairman*

Chengdu, Sichuan Province, the PRC
16 November 2026

*As at the date of this announcement, the executive Directors are Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi; the non-executive Directors are Mr. Lu Qun, Ms. Xie Beidi, Mr. Gao Bin and Mr. Xia Long; and the independent non-executive Directors are Mr. Siu Chi Hung, Mr. Chen Chuan, Mr. Mou Yingshi, Prof. Li Jian and Ms. He Yin.*

* *For identification purposes only*