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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)

DISCLOSEABLE TRANSACTIONS

SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS

SUBSCRIPTIONS OF STRUCTURED DEPOSIT PRODUCTS

During the six months ended 30 June 2019 and up to the date of this announcement, the Company entered into the following agreements to subscribe for certain principal guaranteed structured deposit products provided by Sichuan Branch of the Bank of Communications:

- (1) the First Structured Deposit Product Agreement dated 25 January 2019,
- (2) the Second Structured Deposit Product Agreement dated 31 January 2019,
- (3) the Third Structured Deposit Product Agreement dated 1 February 2019,
- (4) the Fourth Structured Deposit Product Agreement dated 5 May 2019,
- (5) the Fifth Structured Deposit Product Agreement dated 21 May 2019,
- (6) the Sixth Structured Deposit Product Agreement dated 9 July 2019, and
- (7) the Seventh Structured Deposit Product Agreement dated 9 July 2019.

As at the date of this announcement, the First Structured Deposit Product Agreement, the Second Structured Deposit Product Agreement, the Third Structured Deposit Product Agreement, and the Seventh Structured Deposit Product Agreement have expired, and the outstanding balance of the Subscriptions amounted to approximately RMB281,800,000.

LISTING RULES IMPLICATIONS

As the Product Agreements are entered with the same bank and are of a similar nature, the transactions under these agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest of the applicable percentage ratios calculated according to Rule 14.07 of the Listing Rules in respect of the highest total outstanding balance of the Subscriptions under the Product Agreements, as aggregated, exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions constitute discloseable transactions for the Company and therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

NON-COMPLIANCE WITH THE LISTING RULES

As the highest applicable percentage ratios of the highest total outstanding balance under the Subscriptions, as aggregated, exceed 5% but none of them exceeds 25%, the transactions contemplated thereunder constitute the discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since the principal amounts under the Subscriptions were fully guaranteed, with fixed return rates, when the Company conducted the Subscriptions, it misunderstood that the Subscriptions were similar to fixed term deposits held by the Company, which do not fall under the definition of “transactions” under Rule 14.04(1)(a) of the Listing Rules. As the Company did not realise that the Subscriptions would have implications under the Chapter 14 of the Listing Rules, it did not consult any of the Company’s professional advisers, including its compliance adviser, on a timely basis, which resulted in the non-compliance with the Rule 3A.23 of the Listing Rules. As a result of the above, the Company eventually failed to comply with the reporting and announcement requirements for discloseable transactions pursuant to Rule 14.34 of Chapter 14 of the Listing Rules.

REMEDIAL MEASURES

The Company has taken the following steps when it became aware of the non-compliance with the Listing Rules:

- (1) the Company has reported the details about the non-compliance with the Listing Rules to all Directors;
- (2) the Company has consulted its compliance adviser and external legal advisers in respect of the Subscriptions and the non-compliance with the Listing Rules; and
- (3) the Company has disclosed the details of the Subscriptions and the non-compliance with the Listing Rules through this announcement.

BACKGROUND

During the six months ended 30 June 2019 and up to the date of this announcement, the Company entered into the following agreements to subscribe for certain principal guaranteed structured deposit products provided by Sichuan Branch of the Bank of Communications:

- (1) the First Structured Deposit Product Agreement dated 25 January 2019,
- (2) the Second Structured Deposit Product Agreement dated 31 January 2019,
- (3) the Third Structured Deposit Product Agreement dated 1 February 2019,
- (4) the Fourth Structured Deposit Product Agreement dated 5 May 2019,
- (5) the Fifth Structured Deposit Product Agreement dated 21 May 2019,
- (6) the Sixth Structured Deposit Product Agreement dated 9 July 2019, and
- (7) the Seventh Structured Deposit Product Agreement dated 9 July 2019.

As at the date of this announcement, the First Structured Deposit Product Agreement, the Second Structured Deposit Product Agreement, the Third Structured Deposit Product Agreement, and the Seventh Structured Deposit Product Agreement have expired, and the outstanding balance of the Subscriptions amounted to approximately RMB281,800,000.

PRODUCT AGREEMENTS

The First Structured Deposit Product Agreement

On 25 January 2019, the Company entered into the First Structured Deposit Product Agreement with the Bank. The principal terms of the the First Structured Deposit Product Agreement are set out below:

Date:	25 January 2019
Product:	Bank of Communications Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (5 months)
Parties:	(1) the Company, as the subscriber; and (2) Sichuan Branch of the Bank of Communications, as the bank
Type of Product:	Fully principal-guaranteed
Principal:	RMB86,000,000
Term:	154 days (from 1 February 2019 to 5 July 2019)

Expected Return Per Annum:	Fixed annualized return rate of 4.10%
Formula for Calculation of Interest:	$\text{Principal} \times 4.10\% \times \text{actual term of deposit (days)}/365 \text{ days}$
Right of Early Termination or Redemption:	The Company has no right of early termination or redemption. The Bank has the right to early terminate the product on the ninth business day before the product expiration date, being 24 June 2019 (the “ Early Termination Date ”) if the Three-month Shanghai Interbank Offered Rate is below 2.00% on the Early Termination Date.
Minimum Term:	143 days, from 1 February 2019 to 24 June 2019
Minimum Interest:	$\text{RMB}86,000,000 \times 4.10\% \times 143 \text{ (minimum term)}/365 = \text{RMB}1,381,419.18$

The Second Structured Deposit Product Agreement

On 31 January 2019, the Company entered into the Second Structured Deposit Product Agreement with the Bank. The principal terms of the the Second Structured Deposit Product Agreement are set out below:

Date:	31 January 2019
Product:	Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (3 months)
Parties:	(1) the Company, as the subscriber; and (2) Sichuan Branch of the Bank of Communications, as the bank
Type of Product:	Fully principal-guaranteed
Principal:	RMB86,000,000
Term:	91 days (from 11 February 2019 to 13 May 2019)
Expected Return Per Annum:	Fixed annualized return rate of 4.05%
Formula for Calculation of Interest:	$\text{Principal} \times 4.05\% \times \text{actual term of deposit (days)}/365 \text{ days}$

Right of Early Termination or Redemption: The Company has no right of early termination or redemption.
The Bank has the right to early terminate the product on the ninth business day before the product expiration date, being 30 April 2019 (the “**Early Termination Date**”) if the Three-month Shanghai Interbank Offered Rate is below 2.00% on the Early Termination Date.

Minimum Term: 78 days, from 11 February 2019 to 30 April 2019

Minimum Interest: $\text{RMB}86,000,000 \times 4.05\% \times 78$ (minimum term)/365 = RMB744,312.33

The Third Structured Deposit Product Agreement

On 1 February 2019, the Company entered into the Third Structured Deposit Product Agreement with the Bank. The principal terms of the the Third Structured Deposit Product Agreement are set out below:

Date: 1 February 2019

Product: Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (3 months)

Parties: (1) the Company, as the subscriber; and
(2) Sichuan Branch of the Bank of Communications, as the bank

Type of Product: Fully principal-guaranteed

Principal: RMB142,000,000

Term: 91 days (from 11 February 2019 to 13 May 2019)

Expected Return Per Annum: Fixed annualized return rate of 4.05%

Formula for Calculation of Interest: $\text{Principal} \times 4.05\% \times \text{actual term of deposit (days)}/365$ days

Right of Early Termination or Redemption: The Company has no right of early termination or redemption.
The Bank has the right to early terminate the product on the ninth business day before the product expiration date, being 30 April 2019 (the “**Early Termination Date**”) if the Three-month Shanghai Interbank Offered Rate is below 2.00% on the Early Termination Date.

Minimum Term: 78 days, from 11 February 2019 to 30 April 2019

Minimum Interest: $\text{RMB}142,000,000 \times 4.05\% \times 78$ (minimum term)/365 = RMB1,228,960.82

The Fourth Structured Deposit Product Agreement

On 5 May 2019, the Company entered into the Fourth Structured Deposit Product Agreement with the Bank. The principal terms of the the Fourth Structured Deposit Product Agreement are set out below:

Date:	5 May 2019
Parties:	(1) the Company, as the subscriber; and (2) Sichuan Branch of the Bank of Communications, as the bank
Product:	Bank of Communications Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (7 months)
Type of Product:	Fully principal-guaranteed
Principal:	RMB26,500,000
Term:	217 days (from 10 May 2019 to 13 December 2019)
Expected Return Per Annum:	Fixed annualized return rate of 3.80%
Formula for Calculation of Interest:	$\text{Principal} \times 3.80\% \times \text{actual term of deposit (days)}/365 \text{ days}$
Right of Early Termination or Redemption:	The Company has no right of early termination or redemption. The Bank has the right to early terminate the product on the ninth business day before the product expiration date, being 2 December 2019 (the “ Early Termination Date ”) if the Three-month Shanghai Interbank Offered Rate is below 2.00% on the Early Termination Date.
Minimum Term:	206 days, from 10 May 2019 to 2 December 2019
Minimum Interest:	$\text{RMB}26,500,000 \times 3.80\% \times 206 \text{ (minimum term)}/365 = \text{RMB}568,334.25$

The Fifth Structured Deposit Product Agreement

On 21 May 2019, the Company entered into the Fifth Structured Deposit Product Agreement with the. The principal terms of the Fifth Structured Deposit Product Agreement are set out below:

Date:	21 May 2019
Parties:	(1) the Company, as the subscriber; and (2) Sichuan Branch of the Bank of Communications, as the bank
Product:	Bank of Communications Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (5 months)
Type of Product:	Fully principal-guaranteed
Principal:	RMB230,300,000
Term:	154 days (from 24 May 2019 to 25 October 2019)
Expected Return Per Annum:	Fixed annualized return rate of 3.75%
Formula for Calculation of Interest:	$\text{Principal} \times 3.75\% \times \text{actual term of deposit (days)}/365 \text{ days}$
Right of Early Termination or Redemption:	The Company has no right of early termination or redemption. The Bank has the right to early terminate the product on the ninth business day before the product expiration date, being 14 October 2019 (the “ Early Termination Date ”) if the Three-month Shanghai Interbank Offered Rate is below 2.00% on the Early Termination Date.
Minimum Term:	143 days, from 24 May 2019 to 14 October 2019
Minimum Interest:	$\text{RMB}230,300,000 \times 3.75\% \times 143 \text{ (minimum term)}/365 = \text{RMB}3,383,517.12$

The Sixth Structured Deposit Product Agreement

On 9 July 2019, the Company entered into the Sixth Structured Deposit Product Agreement with the Bank. The principal terms of the the Sixth Structured Deposit Product Agreement are set out below:

Date:	9 July 2019
Product:	Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (Bull Exchange Rates Linked)
Parties:	(1) the Company, as the subscriber; and (2) Sichuan Branch of the Bank of Communications, as the bank
Type of Product:	Fully principal-guaranteed
Principal:	RMB25,000,000
Term:	154 days (from 12 July 2019 to 13 December 2019)
Expected Return Per Annum:	Annualized return rate of between 3.70% to 3.80%
Formula for Calculation of Interest:	Principal × annualized return rate × actual term of deposit (days)/365 days
Right of Early Termination or Redemption:	The Company and the Bank have no right of early termination or redemption.
Minimum Interest:	$RMB25,000,000 \times 3.70\% \times 154$ (minimum term)/365 = RMB390,273.97

The Seventh Structured Deposit Product Agreement

On 9 July 2019, the Company entered into the Seventh Structured Deposit Product Agreement with the Bank. The principal terms of the the Seventh Structured Deposit Product Agreement are set out below:

Date:	9 July 2019
Product:	Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product (Term Structure Type)
Parties:	(1) the Company, as the subscriber; and (2) Sichuan Branch of the Bank of Communications, as the bank
Type of Product:	Fully principal-guaranteed

Principal:	RMB25,000,000
Term:	62 days (from 12 July 2019 to 12 September 2019)
Expected Return Per Annum:	Fixed annualized return rate of 3.55%
Formula for Calculation of Interest:	$\text{Principal} \times 3.55\% \times \text{actual term of deposit (days)}/365 \text{ days}$
Right of Early Termination or Redemption:	<p>The Company has no right of early termination or redemption.</p> <p>The Bank has the right to early terminate the product on the ninth business day before the product expiration date, being 30 August 2019 (the “Early Termination Date”) if the Three-month Shanghai Interbank Offered Rate is below 2.00% on the Early Termination Date.</p>
Minimum Term:	49 days, from 12 July 2019 to 30 August 2019
Minimum Interest:	$\text{RMB}25,000,000 \times 3.55\% \times 49 \text{ (minimum term)}/365 = \text{RMB}124,178.08$

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Company considered that the Subscriptions were the safe and prudent ways to boost the return of its idle capital and would not result in any financial loss to the Company and its Shareholders, taking into account that the products under the Subscriptions were principal-protected and their return rates were considerably higher than the current deposit interest rates which were generally 0.3% per year. Therefore, the Directors believed that the Subscriptions were in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the above agreements were arrived at after arm’s length negotiation, are fair and reasonable, on normal commercial terms, and are in the interest of the Group and its Shareholders as a whole.

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.

Bank of Communications

Bank of Communications is a large-scale joint stock commercial bank in the PRC. Headquartered in Shanghai, it was listed on the Stock Exchange in June 2005 (stock code: 03328) and on the Shanghai Stock Exchange in May 2007 (stock code: 601328).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Bank of Communications and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

LISTING RULES IMPLICATIONS

As the Product Agreements are entered with the same bank and are of a similar nature, the transactions under these agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest of the applicable percentage ratios calculated according to Rule 14.07 of the Listing Rules in respect of the highest total outstanding balance of the subscriptions under the Product Agreements, as aggregated, exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions constitute discloseable transactions for the Company and therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

NON-COMPLIANCE WITH THE LISTING RULES

As the highest applicable percentage ratios of the highest total outstanding balance under the Subscriptions, as aggregated, exceed 5% but none of them exceeds 25%, the transactions contemplated thereunder constitute the discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since the principal amounts under the Subscriptions were fully guaranteed, with fixed return rates, when the Company conducted the Subscriptions, it misunderstood that the Subscriptions were similar to fixed term deposits held by the Company, which do not fall under the definition of “transactions” under Rule 14.04(1)(a) of the Listing Rules. As the Company did not realise that the Subscriptions would have implications under the Chapter 14 of the Listing Rules, it did not consult any of the Company’s professional advisers, including its compliance adviser, on a timely basis, which resulted in the non-compliance with the Rule 3A.23 of the Listing Rules. As a result of the above, the Company eventually failed to comply with the reporting and announcement requirements for discloseable transactions pursuant to Rule 14.34 of Chapter 14 of the Listing Rules.

REMEDIAL MEASURES

The Company deeply regrets its non-compliance with Rule 14.34 and Rule 3A.23 of the Listing Rules but the Company would like to stress that the non-compliance was inadvertent and arose from the Company's misunderstanding of the Rule 14.04(1)(a) of the Listing Rules.

The Company has taken the following steps when it became aware of the non-compliance with the Listing Rules:

- (1) the Company has reported the details about the non-compliance with the Listing Rules to all Directors;
- (2) the Company has consulted its compliance adviser and external legal advisers in respect of the Subscriptions and the non-compliance with the Listing Rules; and
- (3) the Company has disclosed the details of the Subscriptions and the non-compliance with the Listing Rules through this announcement.

To prevent recurrence of the non-compliance, the Company intends to adopt the following measures:

- (1) the Company will arrange for training relating to Chapter 14 of the Listing Rules for its Directors, senior management and employees of the relevant departments who are in charge of the transactions of the Group;
- (2) the Company will enhance its transaction management through improving the internal reporting, reviewing, approval and disclosure procedures of the transactions of the Group, and strengthening the coordination among the various departments of the Group, including finance department, internal audit department and securities and legal department; and
- (3) the Company will promptly consult with its professional advisers including the compliance adviser and legal advisers as and when appropriate in planning for other transactions on matters regarding the compliance with the Listing Rules and other applicable laws and regulations from time to time in the future.

DEFINITIONS

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

“Board”	the board of Directors
“Bank”	Sichuan Branch of the Bank of Communications
“Chairman”	the chairman of the Board
“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

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC nationals and/or PRC corporate entities
“Fifth Structured Deposit Product Agreement”	The Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product Agreement (《交通銀行蘊通財富定期型結構性存款(期限結構型)產品協議》) entered into between the Company and the Bank on 21 May 2019
“First Structured Deposit Product Agreement”	The Bank of Communications Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product Agreement (《交通銀行蘊通財富定期型結構性存款(期限結構型)產品協議》) entered into between the Company and the Bank on 25 January 2019
“Fourth Structured Deposit Product Agreement”	The Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product Agreement (《交通銀行蘊通財富定期型結構性存款(期限結構型)產品協議》) entered into between the Company and the Bank on 5 May 2019
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Product Agreements”	the agreements entered into between the Company and the Bank to subscribe the structured deposit products by the Company, including the First Structured Deposit Product Agreement, the Second Structured Deposit Product Agreement, the Third Structured Deposit Product Agreement, the Fourth Structured Deposit Product Agreement, the Fifth Structured Deposit Product Agreement, the Sixth Structured Deposit Product Agreement and the Seventh Structured Deposit Product Agreement

“RMB”	Renminbi, the lawful currency of the PRC
“Second Structured Deposit Product Agreement”	The Bank of Communications Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product Agreement (《交通銀行蘊通財富定期型結構性存款(期限結構型)產品協議》) entered into between the Company and the Bank on 31 January 2019
“Seventh Structured Deposit Product Agreement”	The Bank of Communication Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product Agreement (《交通銀行蘊通財富定期型結構性存款(期限結構型)產品協議》) entered into between the Company and the Bank on 9 July 2019
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company, including H Shares, Domestic Shares and Unlisted Foreign Shares
“Shareholder(s)”	holder(s) of the Shares
“Sixth Structured Deposit Product Agreement”	The Bank of Communication Yuntong Fortune Periodic Structured Deposits (Exchange Rates Linked) Product Agreement (《交通銀行蘊通財富定期型結構性存款(匯率掛鉤)產品協議》) entered into between the Company and the Bank on 9 July 2019
“Subscriptions”	the subscriptions of the structured deposit products under the Product Agreements
“Third Structured Deposit Product Agreement”	The Bank of Communications Yuntong Fortune Periodic Structured Deposits (Periodic Structure) Product Agreement (《交通銀行蘊通財富定期型結構性存款(期限結構型)產品協議》) entered into between the Company and the Bank on 1 February 2019
“Unlisted Foreign Share(s)”	ordinary share(s) issued by the Company that are not listed on any stock exchange, with a nominal value of RMB1.00 each
“%”	per cent

By order of the Board
Sichuan Energy Investment Development Co., Ltd.
Zeng Yong
Chairman

Chengdu, Sichuan Province, the PRC
16 October 2019

As at the date of this announcement, the executive Directors are Mr. Zeng Yong, Mr. Li Hui and Ms. Xie Peixi; the non-executive Directors are Ms. Han Chunhong, Ms. Li Yu, Mr. Wang Chengke and Mr. Zhou Yanbin; and the independent non-executive Directors are Mr. Kin Kwong Kwok Gary, Mr. Fan Wei, Ms. He Zhen and Mr. Wang Peng.

* *For identification purposes only*