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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**

### **LOAN AGREEMENT**

#### **BACKGROUND**

On 15 April 2020, Pingshan Electricity, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Jinping Real Estate Development, a connected person of the Company, pursuant to which, Pingshan Electricity agreed to provide a loan to Jinping Real Estate Development in the principal amount of RMB8.5 million for a term of one year commencing from the actual date of remittance of the fund.

#### **LISTING RULES IMPLICATION**

As at the date of this announcement, Jinping Real Estate Development, is an indirectly non-wholly owned subsidiary of Energy Investment Group and Hydropower Group, which are the Controlling Shareholders. Accordingly, Jinping Real Estate Development is a connected person of the Company under Rule 14A.07 and the transaction contemplated under the Loan Agreement constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Loan Agreement exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transaction contemplated under the Loan Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## THE LOAN AGREEMENT

On 15 April 2020, Pingshan Electricity and Jinping Real Estate Development entered into the Loan Agreement. The principal terms of the Loan Agreement are set out below.

<b>Date:</b>	15 April 2020
<b>Parties:</b>	(1) Pingshan Electricity, as the lender; and (2) Jinping Real Estate Development, as the borrower.
<b>Principal:</b>	RMB8,500,000
<b>Term:</b>	One year, commencing from the actual date of remittance of the fund
<b>Purpose:</b>	The Loan shall be used for Pingshan power complex project (residential) Phoenix Qi'an Project
<b>Interest rate:</b>	8% per annum
<b>Maximum interest:</b>	$RMB8,500,000 \times 8\% \times 365/360 = RMB689,444$
<b>Repayment:</b>	The principal amount of the Loan shall be repaid in one lump sum upon or in instalments before maturity of the Loan by Jinping Real Estate Development to Pingshan Electricity.  The interest accrued thereon shall be paid by Jinping Real Estate Development to Pingshan Electricity on a quarterly basis.
<b>Default interest:</b>	If Jinping Real Estate Development fails to repay the Loan and pay the interest when due, or misappropriate the Loan, Jinping Real Estate Development shall be liable to pay the default interest at the rate of 12% per annum on the overdue amount of the Loan, or at the rate of 16% per annum on the misappropriated amount of the Loan, respectively.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms and conditions of the Loan Agreement, including the interest rate applicable, are negotiated on an arm's length basis between Jinping Real Estate Development and Pingshan Electricity, taken into account the prevailing market interest rates and practices. Furthermore, the revenue will be generated from the expected interest income in connection with the Loan which will increase the earning of the Company. In the view of above, the Directors (including the independent non-executive Directors) consider the Loan Agreement is on normal commercial terms which are fair and reasonable, and the transaction thereunder is in the interests of the Company and the Shareholders as a whole.

The Loan Agreement has been approved by the Board. As Mr. Zeng Yong holds position in Hydropower Group, and Mr. Li Hui and Ms. Xie Peixi are the Directors nominated by Hydropower Group, they have abstained from voting on the Board resolutions to approve the Loan Agreement voluntarily. Saved and except for the aforesaid, none of the Directors has any material interest in the Loan Agreement and was required to abstain from voting on the Board resolutions in relation to the Loan Agreement.

## **IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, Jinping Real Estate Development, is an indirectly non-wholly owned subsidiary of Energy Investment Group and Hydropower Group, which are the Controlling Shareholders. Accordingly, Jinping Real Estate Development is a connected person of the Company under Rule 14A.07 and the transaction contemplated under the Loan Agreement constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Loan Agreement exceeds 0.1% but all of the applicable percentage ratios are less than 5%, the transaction contemplated under the Loan Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INFORMATION OF THE PARTIES**

Jinping Real Estate Development is a limited liability company established in the PRC on 16 April 2013 and is primarily engaged in the development of real estate. Jinping Real Estate Development is held as to 49% by Pingshan Electricity, and as to 51% by Sichuan Jinjiao Real Estate Development Co., Ltd.\* (四川金嬌房地產開發有限公司), an indirect non-wholly owned subsidiary of Energy Investment Group and Hydropower Group.

The Group 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. Pingshan Electricity is primarily engaged in power generation and supply in Pingshan County, Yibin City, Sichuan Province.

## DEFINITIONS

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

“Board”	the board of Directors
“Chairman”	the chairman of the Board
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling Shareholders, namely, Hydropower Group, Energy Investment Group and Sichuan Development Co.
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 1713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“Director(s)”	the director(s) of the Company
“Energy Investment Group”	Sichuan Province Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司), a limited liability company established in the PRC on 21 February 2011 and one of the Controlling Shareholders
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 on 17 December 2004 and one of the Controlling Shareholders
“Jinping Real Estate Development”	Pingshan Jinping Real Estate Development Co., Ltd.* (屏山金屏房地產開發有限公司), a limited liability company established in the PRC on 16 April 2013 which is held as to 49% by Pingshan Electricity, and as to 51% by Sichuan Jinjiao Real Estate Development Co., Ltd.* (四川金嬌房地產開發有限公司), an indirect non-wholly owned subsidiary of Energy Investment Group and Hydropower Group
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement entered into between Pingshan Electricity and Jinping Real Estate Development on 15 April 2020

“Loan”	the loan in the principal amount of RMB8,500,000 to be granted by Pingshan Electricity to Jinping Real Estate Development pursuant to the Loan Agreement
“Pingshan Electricity”	Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.* (四川能投屏山電力有限公司), a limited liability company established in the PRC on 30 July 2008 and a wholly-owned subsidiary of the Company
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Shares
“Sichuan Development Co.”	Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司), a wholly state-owned enterprise with limited liability established under the laws of the PRC on 24 December 2008 and one of the Controlling Shareholders
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent

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

Chengdu, Sichuan Province, the PRC  
15 April 2020

*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*