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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)**

**CONTINUING CONNECTED TRANSACTIONS**

**(1) RENEWAL OF THE RURAL POWER GRID ASSETS  
MANAGEMENT AND MAINTENANCE AGREEMENT**

**(2) RENEWAL OF THE RURAL POWER GRID  
ASSETS USAGE AGREEMENT**

**AND**

**(3) RENEWAL OF THE PROPERTY  
MANAGEMENT AGREEMENT**

Reference is made to the Prospectus and the announcements of the Company dated 29 November 2019 and 30 November 2020 in relation to the Rural Power Grid Assets Management and Maintenance Agreement, the Rural Power Grid Assets Usage Agreement, and the Property Management Agreement which expired on 31 December 2020.

On 31 December 2020 (after trading hours), the Company entered into the following agreements with Hydropower Group, one of the Controlling Shareholders, and Baishiji, a subsidiary of Hydropower Group to renew each of the respective continuing connected transactions, in particular:

- (i) The Company has entered into the Renewed Rural Power Grid Assets Management and Maintenance Agreement to renew the relevant existing continuing connected transaction with Hydropower Group for a term of three years, pursuant to which the Company agreed to continue to provide management and maintenance services for the Excluded Rural Power Grid Projects in the Seven Counties and Districts to Hydropower Group upon the expiry of the existing term;

- (ii) The Company has entered into the Renewed Rural Power Grid Assets Usage Agreement to renew the relevant existing continuing connected transaction with Hydropower Group for a term of three years, pursuant to which the Company will continue to be entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group upon the expiry of the existing term; and
- (iii) The Company has entered into the Renewed Property Management Agreement to renew the relevant existing continuing connected transaction with Baishiji for a term of three years, pursuant to which Baishiji agreed to continue to provide property management services to our Group upon the expiry of the existing term.

As at the date of this announcement, Hydropower Group is one of the Controlling Shareholders and Baishiji is a wholly-owned subsidiary of Hydropower Group. Accordingly, Hydropower Group and Baishiji are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under each of the Renewed Rural Power Grid Assets Management and Maintenance Agreement, the Renewed Rural Power Grid Assets Usage Agreement, and the Renewed Property Management Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the respective applicable percentage ratios calculated according to Rule 14.07 of the Listing Rules in respect of (i) the annual caps contemplated under the Renewed Rural Power Grid Assets Management and Maintenance Agreement; (ii) the annual caps contemplated under the Renewed Rural Power Grid Assets Usage Agreement; and (iii) the annual caps contemplated under the Renewed Property Management Agreement exceed 0.1% but less than 5%, the transactions under each of the abovementioned agreements are subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Reference is made to the Prospectus and the announcements of the Company dated 29 November 2019 and 30 November 2020 in relation to the Rural Power Grid Assets Management and Maintenance Agreement, the Rural Power Grid Assets Usage Agreement, and the Property Management Agreement which expired on 31 December 2020.

On 31 December 2020 (after trading hours), the Company entered into the following agreements with Hydropower Group, one of the Controlling Shareholders, and Baishiji, a subsidiary of Hydropower Group to renew each of the respective continuing connected transactions, in particular:

- (i) The Company has entered into the Renewed Rural Power Grid Assets Management and Maintenance Agreement to renew the relevant existing continuing connected transaction with Hydropower Group for a term of three years, pursuant to which the Company agreed to continue to provide management and maintenance services for the Excluded Rural Power Grid Projects in the Seven Counties and Districts to Hydropower Group upon the expiry of the existing term;
- (ii) The Company has entered into the Renewed Rural Power Grid Assets Usage Agreement to renew the relevant existing continuing connected transaction with Hydropower Group for a term of three years, pursuant to which the Company will continue to be entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group upon the expiry of the existing term; and
- (iii) The Company has entered into the Renewed Property Management Agreement to renew the relevant existing continuing connected transaction with Baishiji for a term of three years, pursuant to which Baishiji agreed to continue to provide property management services to our Group upon the expiry of the existing term.

#### **(I) RENEWAL OF THE RURAL POWER GRID ASSETS MANAGEMENT AND MAINTENANCE AGREEMENT**

Reference is made to the Prospectus and the announcement of the Company dated 29 November 2019.

As disclosed in the Prospectus, the Company entered into the Rural Power Grid Assets Management and Maintenance Agreement with Hydropower Group, pursuant to which the Company agreed to provide management and maintenance services for the Excluded Rural Power Grid Projects in the Seven Counties and Districts to Hydropower Group. The term of the agreement expired on 31 December 2020. On 31 December 2020 (after trading hours), the Company has renewed the Rural Power Grid Assets Management and Maintenance Agreement by entering into the Renewed Rural Power Grid Assets Management and Maintenance Agreement with Hydropower Group, the principal terms of the agreement are set out below:

- Parties:**
- (1) the Company; and
  - (2) Hydropower Group

**Transaction:** The Company agreed to provide management and maintenance services for the Excluded Rural Power Grid Projects in the Seven Counties and Districts to Hydropower Group.

**Term:** 1 January 2021 to 31 December 2023, and shall be terminated if Hydropower Group sells the relevant assets under the Excluded Rural Power Grid Projects, provided that Hydropower group shall serve a written notice on the Company no less than 45 days prior to its intention to sell, and the termination date shall be upon the expiry of the 45 days notice period or completion of the relevant sale (whichever is later).

**Service fee:** The rate of annual service fees payable by Hydropower Group to the Company for the provision of management and maintenance services was determined based on arms' length negotiation between the parties with reference to the cost standards stipulated in the Cost Standards of Overhaul, Maintenance, Operation and Management for Power Grid and Generation of Electric Power Companies in Sichuan (Trial) (Chuan Dian Caiwu [2010] No. 29)\* (《四川省電力公司電網及發電檢修運維和運營管理成本標準(試行)》(川電財務[2010] 29號)) and the prevailing market price at the time of signing the agreement, subject to PRC regulations and policies issued by the PRC government from time to time, details of which are set out below:

<b>Type of Assets</b>		<b>Unit cost standard</b>
Transformer substations (RMB/MVA)	35 kV transformer substations	6,452
	110 kV transformer substations	2,875
Power supply lines (RMB/km)	35 kV power transformation lines	3,637
	110 kV power transformation lines	4,704
Power distribution networks (RMB/km)	10 kV power distribution networks	1,053

The actual service fees payable by Hydropower Group to the Company on an annual basis will be settled based on the actual services rendered and with reference to the unit cost standard mentioned above.

***Historical transaction amounts and renewed annual caps for the three years ending 31 December 2023***

<b>Historical figures:</b>	<b>For the financial year ended</b>	<b>Historical amount (RMB'000)</b>	<b>Annual caps (RMB'000)</b>
	31 December 2018	0 (Actual) <sup>(1)</sup>	520
	31 December 2019	12,830 (Actual)	13,000
	31 December 2020	13,300 (Expected)	13,300

*Note:*

- (1) No service fee was paid by Hydropower Group to the Company for provision of management and maintenance services of the Excluded Rural Power Grid Projects for the year ended 2018, primarily because the majority of the Excluded Rural Power Grid Projects were still under construction or testing and no substantial management and maintenance was needed during the relevant period.

<b>Renewed annual caps:</b>	<b>For the financial year ending</b>	<b>Annual caps (RMB'000)</b>
	31 December 2021	14,550
	31 December 2022	18,020
	31 December 2023	20,530

**Basis of renewed annual caps** The renewed annual caps under the Rural Power Grid Assets Management and Maintenance Agreement was determined based on (1) the actual amount of management and maintenance services the Company provided under the Rural Power Grid Assets Management and Maintenance Agreement for the two years ended 31 December 2019 and for the 11 months ended 30 November 2020; and (2) the anticipated increase of the services according to the construction progress and the volume of the power grid assets of the Excluded Rural Power Grid Projects.

**(II) RENEWAL OF THE RURAL POWER GRID ASSETS USAGE AGREEMENT**

Reference is made to the Prospectus and the announcements of the Company dated 29 November 2019 and 30 November 2020.

As disclosed in the Prospectus, the Company entered into the Rural Power Grid Assets Usage Agreement with Hydropower Group, pursuant to which the Company was entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group. The current term of the agreement expired on 31 December 2020. On 31 December 2020 (after trading hours), the Company has renewed the Rural Power Grid Assets usage Agreement by entering into the Renewed Rural Power Grid Assets Usage Agreement with Hydropower Group, the principal terms of the agreement are set out below:

- Parties:** (1) the Company; and  
(2) Hydropower Group
- Transaction:** The Company will be entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group.
- Term:** 1 January 2021 to 31 December 2023, and shall be terminated if Hydropower Group sells the relevant assets under the Excluded Rural Power Grid Projects, provided that Hydropower group shall serve a written notice on the Company no less than 45 days prior to its intention to sell, and the termination date shall be upon the expiry of the 45 days notice period or completion of the relevant sale (whichever is later).
- Usage fee:** The rate of annual usage fee was determined based on arms' length negotiation between the parties with reference to the volume of the Group's electricity passing through the power grids under the Excluded Rural Power Grid Projects multiplied by the unit usage price, being RMB0.1138/kWh. The formula for calculating the per kWh usage price is set out below:

$$\text{RMB0.5465/kWh}^{(1)} \times 20.82\%^{(2)} = \text{RMB0.1138/kWh}$$

*Notes:*

- (1) RMB0.5465/kWh refers to the electricity pricing standards in Sichuan Province under the Notice on the Price of Electricity Transmission and Distribution of Sichuan Grid for the Years from 1 July 2019 (Chuan Fagai Jiage [2019] No. 257)\* (《四川電網目錄銷售電價表(2019年7月1日起執行)》(川發改價格[2019] 257號)) with reference to the average unit cost of power supply of electricity companies in Sichuan Province, and having considered factors including depreciation costs and operation costs, plus certain profit margin.

- (2) 20.82% refers to the estimated per kWh depreciation rate of the Excluded Rural Power Grid Projects arrived at with the depreciation costs divided by the total costs of the Company for power supply.

The actual usage fees payable by the Company to Hydropower Group on an annual basis will be settled based on the actual electricity sale and adopting the formula above.

***Historical transaction amounts and renewed annual caps for the three years ending 31 December 2023***

<b>Historical figures:</b>	<b>For the financial year ended</b>	<b>Historical amount (RMB'000)</b>	<b>Annual caps (RMB'000)</b>
	31 December 2018	0 (Actual) <sup>(1)</sup>	570
	31 December 2019	15,100 (Actual)	16,000
	31 December 2020	18,120 (Expected)	18,120

*Note:*

- (1) No usage fee was paid by the Company to Hydropower Group for the usage of power grids under the Excluded Rural Power Grid Projects for the year ended 2018, primarily because the majority of the Excluded Rural Power Grid Projects were still under construction or testing and have not been put into use during the relevant period.

<b>Renewed annual caps:</b>	<b>For the financial year ending</b>	<b>Annual caps (RMB'000)</b>
	31 December 2021	26,840
	31 December 2022	30,220
	31 December 2023	34,090

**Basis of renewed annual caps** The renewed annual caps under the Rural Power Grid Assets Usage Agreement was determined based on (1) the expected development in the operation of the Excluded Rural Power Grid Projects; (2) the actual amount of usage fee under the Rural Power Grid Assets Usage Agreement for the two years ended 31 December 2019 and for the 11 months ended 30 November 2020; and (3) the expected increase in electricity sales in the relevant regions based on the anticipated increase in the volume of electricity in respect of the Excluded Rural Power Grid Projects.



### **(III) RENEWAL OF THE PROPERTY MANAGEMENT AGREEMENT**

Reference is made to the Prospectus and the announcement of the Company dated 30 November 2020.

As disclosed in the Prospectus, the Company entered into the Property Management Agreement with Baishiji, a subsidiary of Hydropower Group, pursuant to which Baishiji agreed to provide property management services. The term of the agreement expired on 31 December 2020. On 31 December 2020 (after trading hours), the Company has renewed the Property Management Agreement by entering into the Renewed Property Management Agreement with Baishiji, the principal terms of the agreement are set out below:

- Parties:**
- (1) the Company; and
  - (2) Baishiji
- Transaction:** Baishiji agreed to provide property management services including but not limited to office cleaning, security and facilities inspection and maintenance services to our Group.
- Term:** 1 January 2021 to 31 December 2023.
- Service fee:** The service fees payable by the Company to Baishiji for the provision of property management services was determined based on the rates set out in the Property Management Agreement, which were arrived after arms' length negotiation between the parties with reference to the market price level and factors such as the area of the properties, number of rooms, greening requirements, daily maintenance, government guided prices and the level of property management service fees for similar office buildings in the vicinity of Wenjiang District, Chengdu.
- (1) For property management service fees, the services include: comprehensive management service, etiquette service, gate service and public utilities and facilities service management (including intelligent integrated system, public security system, power supply and distribution system, public lighting system and water supply and drainage system), environmental sanitation services, greening and maintenance services, etc. The fee charged is calculated based on the unit rate per square meter of the construction area used by the Company.



- (2) For the special property management service fees, Baishiji shall provide administrative front-desk services based on the needs of the Company, and the remuneration structure is based on the remuneration standard applied in the same industry in Chengdu. The social insurance and housing provident fund shall be adjusted with reference to national policies and settled having regard to the actual circumstances.

The actual service fees payable by the Company to Baishiji shall be settled in accordance with the particular service provided, which varies from monthly to quarterly settlements.

***Historical transaction amounts and renewed annual caps for the three years ending 31 December 2023***

<b>Historical figures:</b>	<b>For the financial year ended</b>	<b>Historical amount (RMB'000)</b>	<b>Annual caps (RMB'000)</b>
	31 December 2018	2,276.8 (Actual)	2,300
	31 December 2019	2,108.5 (Actual)	2,300
	31 December 2020	3,191.2 (Expected)	3,200

<b>Renewed annual caps:</b>	<b>For the financial year ending</b>	<b>Annual caps (RMB'000)</b>
	31 December 2021	10,300
	31 December 2022	10,300
	31 December 2023	10,300

**Basis of renewed annual caps** The renewed annual caps were determined with reference to the actual amount of service fees paid under the Property Management Agreement for the two years ended 31 December 2019 and for the 11 months ended 30 November 2020, and taking into account the increase in future costs caused by factors such as the increase in the number of service personnel required for property services, increase in labour costs, increase in price costs and seasonal fluctuation of greening services.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS**

In relation to the Renewed Rural Power Grid Assets Management and Maintenance Agreement, Hydropower Group authorized the Group to manage and maintain the Excluded Rural Power Grid Projects as the Group is familiar with electricity demand and power grid operation in the Seven Counties and Districts.

In relation to Renewed Rural Power Grid Assets Usage Agreement, as the Excluded Rural Power Grid Projects are located in the Seven Counties and Districts as policy-directed projects for the benefits of people while the Group is the only authorized regional power supplier in the designated statutory area that covers the Seven Counties and Districts and certain of the surrounding areas, the Company has been using the Excluded Rural Power Grid Projects which are connected to the Group's power grids.

As both the Renewed Rural Power Grid Assets Management and Maintenance Agreement and Renewed Rural Power Grid Assets Usage Agreement expired on 31 December 2020, the Company has decided to renew the transactions under each of the respective Rural Power Grid Assets Management and Maintenance Agreement and Rural Power Grid Assets Usage Agreement upon their respective expiries by entering into the Renewed Rural Power Grid Assets Management and Maintenance Agreement and Renewed Rural Power Grid Assets Usage Agreement.

Baishiji is principally engaged in the provision of property management and maintenance services. It has been providing property management services to the Group since 2017 before the listing of the Company on the Stock Exchange and the agreement is on normal commercial terms that are comparable to or no less favorable than those provided by independent third parties service providers. As the original Property Management Agreement expired on 31 December 2020, the Company has decided to renew the existing continuing connected transactions by entering into the Renewed Property Management Agreement.

The Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions in respect of each of the Renewed Rural Power Grid Assets Management and Maintenance Agreement, the Renewed Rural Power Grid Assets Usage Agreement and the Renewed Property Management Agreement are fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

As Mr. Zeng Yong held position in Hydropower Group, and Mr. Li Hui and Ms. Xie Peixi are Directors nominated by Hydropower Group for which Hydropower Group is a shareholder of Sichuan Energy Construction, they have abstained from voting on the Board resolutions to approve the entering into of the Renewed Rural Power Grid Assets Management and Maintenance Agreement, the Renewed Rural Power Grid Assets Usage Agreement and the Renewed Property Management Agreement voluntarily. Save as disclosed above, none of the Directors has material interest in the abovementioned continuing connected transactions and hence no other Director was required to abstain from voting on the relevant resolutions approving the same.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Hydropower Group is one of the Controlling Shareholders and Baishiji is a wholly-owned subsidiary of Hydropower Group. Accordingly, Hydropower Group and Baishiji are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under each of the Renewed Rural Power Grid Assets Management and Maintenance Agreement, the Renewed Rural Power Grid Assets Usage Agreement, and the Renewed Property Management Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the respective applicable percentage ratios calculated according to Rule 14.07 of the Listing Rules in respect of (i) the annual caps contemplated under the Renewed Rural Power Grid Assets Management and Maintenance Agreement; (ii) the annual caps contemplated under the Renewed Rural Power Grid Assets Usage Agreement; and (iii) the annual caps contemplated under the Renewed Property Management Agreement exceed 0.1% but less than 5%, the transactions under each of the abovementioned agreements are subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INFORMATION OF 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.

### **Baishiji**

Baishiji is a company incorporated in the PRC with limited liability on 4 January 2012, which is primarily engaged in property management and maintenance. It is a wholly-owned subsidiary of Hydropower Group.

### **Hydropower Group**

Hydropower Group, one of the Controlling Shareholders of the Company, is a company incorporated in the PRC with limited liability on 17 December 2004. It is primarily engaged in sale of electricity and investment, construction, operation and maintenance of power grid mainly in the Mianyang City (綿陽市), Liangshan Yi Autonomous Prefecture (涼山彝族自治州) and Dazhou City (達州市) of Sichuan Province.

Hydropower Group is owned as to approximately 77.74% by Energy Investment Group, and owned indirectly as to approximately 9.16% 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% 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% 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)).

Energy Investment Group is in turn held by Sichuan Development Co. (a wholly state-owned enterprise and also one of the Controlling Shareholders) as to approximately 67.8% and ICBC Credit Suisse Investment Management Co., Ltd.\* (工銀瑞信投資管理有限公司) as to approximately 32.2%.

ICBC Credit Suisse Investment Management Co., Ltd.\* is indirectly owned as to 55% by Industrial and Commercial Bank of China Limited\* (中國工商銀行股份有限公司) (a bank with state-owned background in the PRC dually listed in the Stock Exchange (stock code: 01398) and the Shanghai Stock Exchange (stock code: 601398)), and as to 45% by Credit Suisse Group AG (a bank based in Switzerland dually listed on SIX Swiss Exchange (ticker: CSGN) and the New York Stock Exchange (ticker: CS)).

## DEFINITIONS

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

“Baishiji”	Sichuan Province Hydropower Group Baishiji Property Management Co., Ltd.* (四川省水電集團百事吉物業管理有限公司), a limited liability company established in the PRC on 4 January 2012 and a wholly-owned subsidiary of Hydropower Group
“Board”	the board of Directors
“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

“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of the Company, namely, Energy Investment Group, Hydropower Group and Sichuan Development Co.
“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
“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
“Excluded Rural Power Grid Projects”	the rural power grid construction projects located in the Seven Counties and Districts, which form part of the rural power grid construction projects conducted since 2011 and are controlled by Hydropower Group
“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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time

“PRC”	the People’s Republic of China, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property Management Agreement”	a property management agreement entered into between Baishiji and the Company on 28 November 2018 which was supplemented on 30 November 2020, pursuant to which Baishiji agreed to provide property management services to the Group
“Prospectus”	the prospectus of the Company dated 13 December 2018
“Renewed Power Grid Assets Management and Maintenance Agreement”	a rural power grid assets management and maintenance agreement entered into between the Company and Hydropower Group on 31 December 2020, pursuant to which the Company will continue to provide management and maintenance services for the Excluded Rural Power Grid Projects in the Seven Counties and Districts to Hydropower Group
“Renewed Power Grid Assets Usage Agreement”	a rural power grid assets usage agreement entered into between the Company and Hydropower Group on 31 December 2020, pursuant to which the Company will continue to be entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group
“Renewed Property Management Agreement”	a property management agreement entered into between Baishiji and the Company on 31 December 2020, pursuant to which Baishiji will continue to provide property management services to the Group
“RMB”	Renminbi, the lawful currency of the PRC
“Rural Power Grid Assets Management and Maintenance Agreement”	a rural power grid assets management and maintenance agreement entered into between the Company and Hydropower Group on 23 November 2018, pursuant to which the Company agreed to provide management and maintenance services for the Excluded Rural Power Grid Projects in the Seven Counties and Districts to Hydropower Group



“Rural Power Grid Assets Usage Agreement”	a rural power grid assets usage agreement entered into between the Company and Hydropower Group on 23 November 2018 which was supplemented on 30 November 2020, pursuant to which the Company was entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group
“Seven Counties and Districts”	Xingwen County (興文縣), Pingshan County (屏山縣), Gong County (珙縣), Gao County (高縣) and Junlian County (筠連縣), as well as Xuzhou District (敘州區) in Yibin City, Sichuan Province, and certain parts of Cuiping District (翠屏區) in Yibin City
“Share(s)”	the Domestic Share(s) and the H Share(s)
“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

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

Chengdu, Sichuan Province, the PRC  
31 December 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. Zhou Yanbin and Mr. Xu Zhenhua; 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*