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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)

INSIDE INFORMATION

This announcement is made by Sichuan Energy Investment Development Co., Ltd.* (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

As part of the policy-directed projects for the benefits of the people (惠民工程), Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司) (“**Hydropower Group**”) participated in the rural power grid construction projects in the Group’s designated power supply area, which were implemented by and under the guidance of the government of the People’s Republic of China (“**PRC**”). Hydropower Group shall, on behalf of the government of Sichuan Province, invest in, operate and manage such assets with fiscal appropriation and unified loan funds. Hydropower Group, one of the controlling Shareholders of the Company, is a company incorporated in the PRC with limited liability on 17 December 2004.

Back in November 2012, Hydropower Group, the Company and six of the Company’s subsidiaries entered into the rural grid assets project management tripartite agreement (農網資產代建項目三方協議) and the rural grid upgrade and transformation project construction management authorisation agreement (農網改造升級項目建設管理工作授權委託協議書) (collectively the “**Construction Management Agreements**”), pursuant to which Hydropower Group, as the legal person at provincial level of the rural grid upgrade and transformation project, appointed the Group to undertake the construction management of phase III of the government-directed rural grid upgrade and transformation projects at Yibin County (宜賓縣), Gao County (高縣), Xingwen County (興文縣), Junlian County (筠連縣), Gong County (珙縣), Pingshan County (屏山縣) and Changning County (長寧縣) (the “**Construction Management Operation Model**”), and the ownership of the projects after completion would belong to Hydropower Group. In this connection, the Company and the Hydropower Group entered into a rural grid asset management and maintenance agreement and a rural grid asset use agreement for the use, management and maintenance of rural grid projects. For further details of the said agreements, please refer to the prospectus of the Company dated 13 December 2018 (the “**Prospectus**”), and the announcements issued by the Company dated 29 November 2019, 30 November 2020 and 31 December 2020.

THE SUPPLEMENTAL AGREEMENT

Reference is made to page 244 of the Prospectus, whereby it was disclosed that Hydropower Group has, on behalf of the People's Government of Sichuan Province, invested in, operated and managed phase III of the rural grid upgrade and transformation projects. On 28 June 2020, the Sichuan Development and Reform Commission has approved the final batch of phase III of the rural grid upgrade and transformation projects. As at the date of this announcement, the Group had been engaged by Hydropower Group to undertake the construction management of such projects pursuant to the Construction Management Operation Model. Based on the progress of the rural grid projects and the initial arrangement, after arm's length negotiations between the Hydropower Group and the Company, on 20 August 2021 (after trading hours), the Hydropower Group, the Company and six subsidiaries of the Company entered into a supplemental agreement to the rural grid upgrade and transformation projects construction agreement (the "**Supplemental Agreement**"), pursuant to which each of the parties agreed that (i) phase III of the rural grid upgrade and transformation projects approved by the Sichuan Provincial Development and Reform Commission in 2020 and before will continue to be carried out under the Construction Management Operation Model under the terms of the Construction Management Agreements; and (ii) for any new rural grid upgrade and transformation projects approved by the Sichuan Provincial Development and Reform Commission in 2021 and onwards, Hydropower Group will provide relevant financial assistance to the Group, whereas the Group would lead the new projects and take the ownership of projects after completion.

The Company considered that the entering into the Supplemental Agreement will not have material impact to the existing projects and business operation. Further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sichuan Energy Investment Development Co., Ltd.*
Xiong Lin
Chairman

Chengdu, Sichuan Province, the PRC
20 August 2021

As at the date of this announcement, the executive Directors are Mr. Xiong Lin, Mr. Li Hui and Ms. Xie Peixi; the non-executive Directors are Ms. Han Chunhong, Ms. Li Yu, Ms. Liang Hong and Ms. Lv Yan; and the independent non-executive Directors are Mr. Kin Kwong Kwok Gary, Ms. He Zhen, Mr. Wang Peng and Prof. Li Jian.

* For identification purposes only