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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)

**MAJOR TRANSACTIONS AND CONNECTED TRANSACTIONS
IN RELATION TO**

- (1) EPC CONTRACT FOR 10KV AND BELOW PROJECT;**
- (2) EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT;**
- (3) EPC CONTRACT FOR 35KV AND ABOVE PROJECT;**
- (4) EPC CONTRACT FOR AUTOMATION ENGINEERING PROJECT; AND**
- (5) CONSTRUCTION SUPERVISION CONTRACT**

(1) EPC CONTRACT FOR 10KV AND BELOW PROJECT

On 3 July 2024, after trading hours, the 10kV and Below Project Implementation Units (all of which are subsidiaries of the Company) entered into the EPC Contract for 10kV and Below Project with, among others, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction, pursuant to which Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction agreed to provide engineering, procurement and construction services for the 10kV and Below Project.

(2) EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT

On 3 July 2024, after trading hours, the 10kV and Below Project Implementation Units (all of which are subsidiaries of the Company) entered into the Equipment and Materials Procurement Contract with, among others, Hydropower Group and Materials Industry Group, pursuant to which, Materials Industry Group agreed to provide procurement of equipment and materials service for the 10kV and Below Project.

(3) EPC CONTRACT FOR 35KV AND ABOVE PROJECT

On 3 July 2024, after trading hours, the 35kV and Above Project Implementation Units (all of which are subsidiaries of the Company) entered into the EPC Contract for 35kV and Above Project with Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction, pursuant to which, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction agreed to provide engineering, procurement and construction services for the 35kV and Above Project.

(4) EPC CONTACT FOR AUTOMATION ENGINEERING PROJECT

On 3 July 2024, after trading hours, the Automation Engineering Project Implementation Units (all of which are subsidiaries of the Company) entered into the EPC Contract for Automation Engineering Project with among others, Hydropower Group, Sun Technology and Sichuan Energy Consolidated Energy, pursuant to which, Sun Technology and Sichuan Energy Consolidated Energy agreed to provide engineering, procurement and construction services for the communication and auxiliary control and automation improvement engineering and communication improvement engineering of the Automation Engineering Project.

(5) CONSTRUCTION SUPERVISION CONTRACT

On 3 July 2024, after trading hours, the Construction Supervision Implementation Units (all of which are subsidiaries of the Company) entered into the Construction Supervision Contract with, among others, Hydropower Group and Sichuan Yilian, pursuant to which, Sichuan Yilian agreed to provide construction supervision service.

LISTING RULES IMPLICATIONS

(A) EPC CONTRACT FOR 10KV AND BELOW PROJECT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other 10kV and Below Project Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Energy Construction is a direct subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and certain Other 10kV and Below Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for 10kV and Below Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

(B) EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other 10kV and Below Project Implementation Units are associates of Hydropower Group. Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Materials Industry Group and certain Other 10kV and Below Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Equipment and Materials Procurement Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

(C) EPC CONTRACT FOR 35KV AND ABOVE PROJECT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other 35kV and Above Project Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Energy Construction is a direct subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and certain Other 35kV and Above Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for 35kV and Above Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

(D) EPC CONTACT FOR AUTOMATION ENGINEERING PROJECT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other Automation Engineering Project Implementation Units (as defined below) are associates of Hydropower Group. Sun Technology is a direct subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sun Technology, Sichuan Energy Consolidated Energy and certain Other Automation Engineering Project Implementation Units (as defined below) are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for Automation Engineering Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

(E) CONSTRUCTION SUPERVISION CONTRACT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other Construction Supervision Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Yilian is indirectly owned as to approximately 33.52% by Energy Investment Group which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Yilian and the Other Construction Supervision Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Construction Supervision Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transactions contemplated under the 2023 Rural Power Grid Contracts on an aggregated basis (i) exceeds 25% but is less than 100%, the transactions contemplated thereunder constitute major transactions of the Company which are subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) exceed 5% and the total consideration is more than HK\$10,000,000, the transactions contemplated thereunder constitute connected transactions of the Company and is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the Company's past experience and estimation, the estimated maximum final settlement price of the EPC Contract for 10kV and Below Project, the Equipment and Materials Procurement Contract, the EPC Contract for 35kV and Above Project, the EPC Contract for Automation Engineering Project and the Construction Supervision Contract is expected to have a fluctuation of no more than 5% from the contract price. If the actual final settlement price of the 2023 Rural Power Grid Contracts exceeds the estimated maximum final settlement price, the Company will make relevant announcement(s) as and when necessary and fulfill the relevant requirements under the Listing Rules (if applicable).

GENERAL

The Company has established the Independent Board Committee to advise the Independent Shareholders in relation to the transactions contemplated under the 2023 Rural Power Grid Contracts. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules.

A circular containing, among others, (i) further details of 2023 Rural Power Grid Contracts; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of EGM and other information as required under the Listing Rules will be despatched to the Shareholders. The circular is expected to be despatched on or before 30 August 2024 as additional time is required for the preparation of information to be included in the circular.

EPC CONTRACT FOR 10KV AND BELOW PROJECT

On 3 July 2024, after trading hours, the 10kV and Below Project Implementation Units entered into the EPC Contract for 10kV and Below Project with, among others, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction. The principal terms of the EPC Contract for 10kV and Below Project are set out below:

- Date:** 3 July 2024 (after trading hours)
- Parties:**
- (1) Hydropower Group (as principal);
 - (2) Sichuan Energy Construction (as contractor);
 - (3) Sichuan Energy Consolidated Energy (as contractor);
 - (4) Sichuan Energy Investment Development Construction (as contractor);
 - (5) 10kV and Below Project Implementation Units; and
 - (6) Other 10kV and Below Project Implementation Units
- Project:** The 10kV and Below Project, comprising, among others, the construction and modification of 10kV circuit line, distribution transformers, low voltage lines and meters.
- The EPC Contract for 10kV and Below Project covers two major projects, being the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project and the 10kV and Below Project under the New Rural Power Grid Consolidation and Improvement Project. The Group will only take part in part of the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project.
- Scope of service:** Survey and design, construction installation and engineering implementation, equipment testing, equipment installation and commissioning and trial operation, procurement of certain auxiliary materials (including installation)
- Construction period:** 275 calendar days
- Conditions precedent:** The contract shall become effective subject to the satisfaction of the following conditions precedent:
- 1. the legal representative or authorised agent of each party to the contract having executed the contract or affixed the seal thereto;
 - 2. Hydropower Group having received the performance guarantee from the approved contractors;

3. the rural power grid investment contract among Hydropower Group, the 10kV and Below Project Implementation Units and Other 10kV and Below Project Implementation Units having been executed and become effective (in the event certain implementation units did not enter into any effective rural power grid investment contract, the project involving such implementation unit shall not be implemented, but it shall not affect the implementation of the other projects under the EPC Contract for 10kV and Below Project);
4. the self-financed funds (if any) of the 10kV and Below Project Implementation Units and Other 10kV and Below Project Implementation Units being available;
5. the Independent Shareholders having approved the contract and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules; and
6. the Stock Exchange's approval in connection with the contract and the transactions contemplated thereunder having been obtained.

Defect liability period:

24 months commencing from the issuance of project delivery certificate

Total estimated contract price payable under the EPC Contract for 10kV and Below Project:

RMB967,673,620 ^{Note} (tax inclusive) which comprises (i) the survey and design fee of RMB60,234,917 (tax inclusive); (ii) the construction fee of RMB903,927,449 (tax inclusive); and (iii) the auxiliary material fee of RMB3,511,254 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB967,673,620 ^{Note} (tax inclusive), it is envisaged that (i) the 10kV and Below Project Implementation Units shall share and be responsible for the payment of RMB207,875,798 (tax inclusive); and (ii) Sichuan Energy Investment Development Construction as one of the contractors, will receive RMB98,624,009.00 (tax inclusive) for the services to be rendered.

Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price.

Note: The total contract sum of RMB967,673,620 (tax inclusive) represent the aggregate of the contract sum of the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project (i.e. RMB876,090,408.00 (tax inclusive)) and the contract sum of the 10kV and Below Project under the New Rural Power Grid Consolidation and Improvement Project (i.e. RMB91,583,212.00 (tax inclusive)) under the EPC Contract for 10kV and Below Project. The Group will only take part in part of the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project in the EPC Contract for 10kV and Below Project.

Pricing:

The estimated contract price was the successful tender price offered by Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction 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 construction timeliness, quality control and assurance and the qualification(s) possessed by the professional team of the bidder to be engaged.

The tender price offered was determined by Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction in accordance with the relevant laws and regulations and documents issued by the governmental authorities, including but not limited to Budget Quota for Power Construction Engineering (《電力建設工程概預算定額》) with reference to on-site inspection and information collected.

Payment terms:

The contract price shall be paid in the following manner:

(i) Advance payments

The advance payment shall be 15% of the total estimated contract price and payable within 14 days upon approval by the 10kV and Below Project Implementation Units and Other 10kV and Below Project Implementation Units of the application for advance payments.

The advance payment shall be credited into the progress payments (as detailed below) once the aggregate progress payments reached 30% of the total contract sum. At which point, 30% of the advance payments shall be credited into each subsequent progress payment until the aggregate amount of progress payments reached 85% of the total estimated contract sum (inclusive of the advance payments credited) and the entire advance payments are credited.

(ii) Progress payments*Survey and design fee*

Up to 80% of the total survey and design fee (inclusive of advance payments) after confirmation of construction drawing design.

Up to 85% of the total survey and design fee after completion and acceptance of the project.

Up to 97% of the total survey and design after settlement and audit.

The remaining 3% of the total survey and design fee shall be retained as quality warranty and shall be paid after the expiry of defect liability period.

Construction fee

Up to 80% of the total construction fee based on 80% of the actual amount of the construction work completed each month.

Up to 85% of the total construction fee after completion and acceptance of the project.

Up to 97% of the total construction fee after settlement and audit.

The remaining 3% of the total construction fee shall be retained as quality warranty and shall be paid after the expiry of defect liability period.

Equipment and materials fee

Up to 85% of the total equipment and materials fee based on the actual amount of equipment and materials supplied.

Up to 95% of the total equipment and materials fee based on the actual amount of equipment and materials supplied after completion and acceptance.

Up to 97% of the total equipment and materials fee based on the actual amount of equipment and materials supplied after settlement and audit.

The remaining 3% of the total equipment and materials fee shall be retained as quality warranty.

(iii) Quality warranty

3% of the total estimated contract price shall be retained as quality warranty, which shall be paid (without interest) upon verification of completion of defect liability after the expiry of defect liability period.

Advance payment guarantee:

The contractors shall provide an advance payment guarantee, either in the form of cash or a letter of guarantee, with an amount not less than the advance payment payable under the EPC Contract for 10kV and Below Project.

The advance payment guarantee shall be released once the advance payment is fully utilised.

Performance guarantee:

The contractors 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 performance guarantee shall be returned to the contractors 3 months after the satisfactory completion inspection of the 10kV and Below Project and upon the approval by the principal of the application to return the performance guarantee to be submitted by the contractors.

THE EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT

On 3 July 2024, after trading hours, the 10kV and Below Project Implementation Units entered into the Equipment and Materials Procurement Contract with, among others, Hydropower Group and Materials Industry Group. The principal terms of the Equipment and Materials Procurement Contract are set out below:

Date: 3 July 2024 (after trading hours)

- Parties:**
- (1) Hydropower Group (as principal);
 - (2) Materials Industry Group (as contractor);
 - (3) 10kV and Below Project Implementation Units; and
 - (4) Other 10kV and Below Project Implementation Units

Project: The 10kV and Below Project

The Equipment and Materials Procurement Contract covers two major projects, being the equipment and materials procurement for the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project and the equipment and materials procurement for the 10kV and Below Project under the New Rural Power Grid Consolidation and Improvement Project. The Group will only take part in the equipment and materials procurement for part of the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project.

- Scope of service:** The procurement of equipment and material for the 10kV and Below Project
- Contract duration:** The contractor shall supply the relevant equipment and materials in accordance with the progress of the project, starting from the actual date requested by the principal or the 10kV and Below Project Implementation Units and Other 10kV and Below Project Implementation Units
- Conditions precedent:** The contract shall become effective subject to the satisfaction of the following conditions precedent:
1. the legal representative or authorised agent of each party to the contract having executed the contract or affixed the seal thereto;
 2. Hydropower Group having received the performance guarantee from the approved contractors;
 3. the rural power grid investment contract among Hydropower Group, the 10kV and Below Project Implementation Units and Other 10kV and Below Project Implementation Units having been executed and become effective (in the event certain implementation units did not enter into any effective rural power grid investment contract, the project involving such implementation unit shall not be implemented, but it shall not affect the implementation of the other projects under the EPC Contract for 10kV and Below Project);
 4. the self-financed funds (if any) of the 10kV and Below Project Implementation Units and Other 10kV and Below Project Implementation Units being available;
 5. the Independent Shareholders having approved the contract and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules; and
 6. the Stock Exchange's approval in connection with the contract and the transactions contemplated thereunder having been obtained.

Quality warranty period: 12 months (commencing from the commissioning of the project) or 18 months (commencing from the delivery of products), whichever is the later, unless otherwise specified under national and/or industrial standard and regulations which has a longer warranty period than the aforesaid.

Total estimated contract price payable under the Equipment and Materials Procurement Contract: RMB972,316,337.92 ^{Note} (tax inclusive) (out of which the 10kV and Below Project Implementation Unit shall share and be responsible for the payment of RMB208,728,821.67 (tax inclusive)), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group.

Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price.

Note: The total contract sum of RMB972,316,337.92 (tax inclusive) represent the aggregate of the contract sum of the equipment and materials procurement for the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project (i.e. RMB882,682,245.37 (tax inclusive)) and the contract sum of the equipment and materials procurement for the 10kV and Below Project under the New Rural Power Grid Consolidation and Improvement Project (i.e. RMB89,634,092.55 (tax inclusive)) under the Equipment and Materials Procurement Contract. The Group will only take part in the equipment and materials procurement for part of the 10kV and Below Project under the 2023 Rural Power Grid Consolidation and Improvement Project in the Equipment and Materials Procurement Contract.

Pricing: The estimated contract price was the successful tender price offered by Materials Industry Group 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 evaluation panel 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, quality and assurance of equipment and materials to be procured and delivered and the qualification(s) possessed by the professional team of the bidder to be engaged.

Payment terms:

The contract price shall be paid in the following manner:

- (i) 30% of the estimated contract price (tax inclusive) as advance payments within 14 days upon approval by the 10kV and Below Project Implementation Units and the Other 10kV and Below Project Implementation Units of the application for advance payments;
- (ii) 67% of the contract price within 7 working days after acceptance of the equipment and materials supplied and issuance of invoice; and
- (iii) the remaining 3% of the contract price shall be retained as quality warranty and payable (without interests) within 14 days after the expiry of the warranty period and if there is no event of default.

**Advance payment
guarantee:**

The contractor shall provide an advance payment guarantee, either in the form of cash or a letter of guarantee, with an amount not less than the advance payment payable under the Equipment and Materials Procurement Contract.

The advance payment guarantee shall be released once the advance payment is fully utilised.

Performance guarantee:

The contractors 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 performance guarantee shall be returned to the contractors 6 months after the satisfactory completion inspection of the 10kV and Below Project and upon the approval by the principal of the application to return the performance guarantee to be submitted by the contractor.

EPC CONTRACT FOR 35KV AND ABOVE PROJECT

On 3 July 2024, after trading hours, the 35kV and Above Project Implementation Units entered into the EPC Contract for 35kV and Above Project with, among others, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction. The principal terms of the EPC Contract for 35kV and Above Project are set out below:

- Date:** 3 July 2024 (after trading hours)
- Parties:**
- (1) Hydropower Group (as principal);
 - (2) Sichuan Energy Construction (as contractor);
 - (3) Sichuan Energy Consolidated Energy (as contractor);
 - (4) Sichuan Energy Investment Development Construction (as contractor);
 - (5) 35kV and Above Project Implementation Units; and
 - (6) Other 35kV and Above Project Implementation Units
- Project:** The 35kV and Above Project, comprising, among others, the construction and modification of 110kV substations, main transformers, 110kV circuit line, 35kV substations, main transformers and 35kV circuit line.
- Scope of service:** Survey and design of the project (preliminary design and construction drawing design stages), procurement of equipment and materials, general contracting of construction works
- Construction period:** 275 calendar days
- Conditions precedent:** The contract shall become effective subject to the satisfaction of the following conditions precedent:
1. the legal representative or authorised agent of each party to the contract having executed the contract or affixed the seal thereto;
 2. Hydropower Group having received the performance guarantee from the approved contractors;

3. the rural power grid investment contract among Hydropower Group, the 35kV and Above Project Implementation Units and Other 35kV and Above Project Implementation Units having been executed and become effective (in the event certain implementation units did not enter into any effective rural power grid investment contract, the project involving such implementation unit shall not be implemented, but it shall not affect the implementation of the other projects under the EPC Contract for 35kV and Above Project);
4. the self-financed funds (if any) of the 35kV and Above Project Implementation Units and Other 35kV and Above Project Implementation Units being available;
5. the Independent Shareholders having approved the contract and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules; and
6. the Stock Exchange's approval in connection with the contract and the transactions contemplated thereunder having been obtained.

Defect liability period:

24 months commencing from the issuance of project delivery certificate

Total estimated contract price payable under the EPC Contract for 35kV and Above Project:

RMB718,304,068.00 (tax inclusive) which comprises (i) the survey and design fee of RMB25,580,365.00 (tax inclusive); (ii) the construction fee and other fee of RMB382,589,103.00 (tax inclusive); and (iii) the equipment procurement fee of RMB310,134,600.00 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB718,304,068.00 (tax inclusive), it is envisaged that (i) the 35kV and Above Project Implementation Units shall share and be responsible for the payment of RMB107,836,000 (tax inclusive); and (ii) Sichuan Energy Investment Development Construction as one of the contractors, will receive RMB103,906,990 (tax inclusive) for the services to be rendered.

Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price.

Pricing:

The estimated contract price was the successful tender price offered by Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction 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 construction timeliness, quality control and assurance and the qualification(s) possessed by the professional team of the bidder to be engaged.

The tender price offered was determined by Sichuan Energy Construction, Sichuan Energy Consolidated Energy and Sichuan Energy Investment Development Construction in accordance with the relevant laws and regulations and documents issued by the governmental authorities, including but not limited to Budget Quota for Power Construction Engineering (《電力建設工程概預算定額》) with reference to on-site inspection and information collected.

Payment terms:

The contract price shall be paid in the following manner:

(i) Advance payments

The advance payment shall be 15% of the total estimated contract price and payable within 14 days upon approval by the 35kV and Above Project Implementation Units and Other 35kV and Above Project Implementation Units of the application for advance payments.

The advance payment shall be credited into the progress payments (as detailed below) once the aggregate progress payments reached 30% of the total contract sum. At which point, 30% of the advance payments shall be credited into each subsequent progress payment until the aggregate amount of progress payments reached 80% of the total estimated contract sum (inclusive of the advance payments credited) and the entire advance payments are credited.

(ii) Progress payments*Survey and design fee*

Up to 80% of the total survey and design fee (inclusive of advance payments) after confirmation of construction drawing design.

Up to 85% of the total survey and design fee after completion and acceptance of the project.

Up to 97% of the total survey and design after settlement and audit.

The remaining 3% of the total survey and design fee shall be retained as quality warranty and shall be paid after the expiry of defect liability period.

Other progress payments

Up to 80% of the contract price (after deducting the survey and design fee) based on 80% of the actual amount of the work completed each month.

Up to 85% of the total contract price (after deducting the survey and design fee) after completion and acceptance of the project.

Up to 97% of the total contract price after settlement and audit.

The remaining 3% of the total contract price shall be retained as quality warranty and shall be paid after the expiry of defect liability period.

(iii) Quality warranty

3% of the total estimated contract price shall be retained as quality warranty, which shall be paid (without interest) upon verification of completion of defect liability after the expiry of defect liability period.

Advance payment guarantee:

The contractors shall provide an advance payment guarantee, either in the form of cash or a letter of guarantee, with an amount not less than the advance payment payable under the EPC Contract for 35kV and Above Project.

The advance payment guarantee shall be released once the advance payment is fully utilised.

Performance guarantee:

The contractors 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 performance guarantee shall be returned to the contractors 3 months after the satisfactory completion inspection or delivery (where applicable) of the 35kV and Above Project and upon the approval by the principal of the application to return the performance guarantee to be submitted by the contractors.

EPC CONTRACT FOR AUTOMATION ENGINEERING PROJECT

On 3 July 2024, after trading hours, the Automation Engineering Project Implementation Units entered into the EPC Contract for Automation Engineering Project with, among others, Hydropower Group, Sun Technology and Sichuan Energy Consolidated Energy. The principal terms of the EPC Contract for Automation Engineering Project are set out below:

- Date:** 3 July 2024 (after trading hours)
- Parties:**
- (1) Hydropower Group (as principal);
 - (2) Sun Technology;
 - (3) Sichuan Energy Consolidated Energy;
 - (4) Automation Engineering Project Implementation Units; and
 - (5) Other Automation Engineering Project Implementation Units
- Project** The Automation Engineering Project, comprising, among others, (i) the construction of the portion of various 35kV and above projects relating to communication and auxiliary control; (ii) the automation improvement engineering, including rural power grid dispatching automation engineering, transformers station operation, maintenance and recondition and main station system engineering, dispatching automation network security level protection engineering, distribution grid dispatching automation engineering, energy use safety engineering and rural power grid distribution energy automation system and supporting projects of Hydropower Group; and (iii) communication improvement project in Changning County, which includes the improvement of the rural power grid communication system within the county
- Scope of service:** Design (preliminary design and construction drawing design stages), installation, commissioning and general contracting, and procurement of equipment and materials with respect to the Automation Engineering Project
- Construction period:** 275 calendar days
- Conditions precedent:** The contract shall become effective subject to the satisfaction of the following conditions precedent:
- 1. the legal representative or authorised agent of each party to the contract having executed the contract or affixed the seal thereto;
 - 2. Hydropower Group having received the performance guarantee from the approved contractors;

3. the rural power grid investment contract among Hydropower Group, the Automation Engineering Project Implementation Units and Other Automation Engineering Project Implementation Units having been executed and become effective (in the event certain implementation units did not enter into any effective rural power grid investment contract, the project involving such implementation unit shall not be implemented, but it shall not affect the implementation of the other projects under the EPC Contract for Automation Engineering Project);
4. the self-financed funds (if any) of the Automation Engineering Project Implementation Units and Other Automation Engineering Project Implementation Units being available;
5. the Independent Shareholders having approved the contract and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules; and
6. the Stock Exchange's approval in connection with the contract and the transactions contemplated thereunder having been obtained.

Defect liability period:

24 months commencing from the issuance of project delivery certificate

Total estimated contract price payable under the EPC Contract for Automation Engineering Project:

RMB90,694,397.00 (tax inclusive) which comprises (i) the design fee of RMB3,175,063.00 (tax inclusive); (ii) the construction fee and other fee of RMB13,426,622.00 (tax inclusive); and (iii) the equipment procurement fee of RMB74,092,712.00 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB90,694,397.00 (tax inclusive), it is envisaged that the Automation Engineering Project Implementation Units shall share and be responsible for the payment of RMB9,863,897 (tax inclusive).

Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price.

Pricing:

The estimated contract price was the successful tender price offered by Sun Technology and Sichuan Energy Consolidated 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 construction timeliness, quality control and assurance and the qualification(s) possessed by the professional team of the bidder to be engaged.

Payment terms:

The contract price shall be paid in the following manner:

(i) Advance payments

The advance payment shall be 30% of the total estimated contract price and payable within 14 days upon approval by the Automation Engineering Project Implementation Units and Other Automation Engineering Project Implementation Units of the application for advance payments.

The advance payment shall be credited into the progress payments (as detailed below) once the aggregate progress payments reached 30% of the total contract sum. At which point, 30% of the advance payments shall be credited into each subsequent progress payment until the aggregate amount of progress payments reached 80% of the total estimated contract sum (inclusive of the advance payments credited) and the entire advance payments are credited.

(ii) Progress payments

Up to 80% of the total contract price based on 80% of the actual amount of work completed each month.

Up to 85% of the total contract price after completion and acceptance of the project.

Up to 97% of the total contract price after settlement and audit.

(iii) Quality warranty

3% of the total estimated contract price shall be retained as quality warranty, which shall be paid (without interest) upon verification of completion of defect liability after the expiry of defect liability period.

Advance payment guarantee:

The contractors shall provide an advance payment guarantee, either in the form of cash or a letter of guarantee, with an amount not less than the advance payment payable under the EPC Contract for Automation Engineering Project.

The advance payment guarantee shall be released once the advance payment is fully utilised.

Performance guarantee:

The contractors 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 performance guarantee shall be returned to the contractors 3 months after the satisfactory completion inspection and delivery of the Automation Engineering Project and upon the approval by the principal of the application to return the performance guarantee to be submitted by the contractors.

THE CONSTRUCTION SUPERVISION CONTRACT

On 3 July 2024, after trading hours, the Construction Supervision Implementation Units entered into the Construction Supervision Contract with Hydropower Group and Sichuan Yilian. The principal terms of the Construction Supervision Contract are set out below:

- Date:** 3 July 2024 (after trading hours)
- Parties:**
- (1) Hydropower Group (as principal);
 - (2) Sichuan Yilian (as supervisor);
 - (3) Construction Supervision Implementation Units; and
 - (4) Other Construction Supervision Implementation Units
- Project:** The 2023 Rural Power Grid Consolidation and Improvement Project and the New Rural Power Grid Consolidation and Improvement Project
- The Construction Supervision Contract covers two major projects, being the construction supervision of the 2023 Rural Power Grid Consolidation and Improvement Project and the construction supervision of the New Rural Power Grid Consolidation and Improvement Project. The Group will only take part in the construction supervision of part of the 2023 Rural Power Grid Consolidation and Improvement Project.
- Scope of service:** Construction supervision services
- Conditions precedent:** The contract shall become effective subject to the satisfaction of the following conditions precedent:
- 1. the legal representative or authorised agent of each party to the contract having executed the contract or affixed the seal thereto;
 - 2. Hydropower Group having received the performance guarantee from the approved supervisor;
 - 3. the rural power grid investment contract among Hydropower Group, the Construction Supervision Implementation Units and Other Construction Supervision Implementation Units having been executed and become effective (in the event certain implementation units did not enter into any effective rural power grid investment contract, the project involving such implementation unit shall not be implemented, but it shall not affect the implementation of the other projects under the Construction Supervision Contract);
 - 4. the self-financed funds (if any) of the Construction Supervision Implementation Units and Other Construction Supervision Implementation Units being available;

5. the Independent Shareholders having approved the contract and the transactions contemplated thereunder at the EGM in accordance with the Listing Rules; and
6. the Stock Exchange's approval in connection with the contract and the transactions contemplated thereunder having been obtained.

Quality defect liability period: 12 months

Total estimated contract price payable under the Construction Supervision Contract: RMB39,932,942.00 ^{Note} (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB39,932,942.00 ^{Note} (tax inclusive), it is envisaged that the Construction Supervision Implementation Units shall share and be responsible for the payment of RMB7,733,670 (tax inclusive).

Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price.

Note: The total contract sum of RMB39,932,942.00 (tax inclusive) represent the aggregate of the contract sum of the construction supervision for the 2023 Rural Power Grid Consolidation and Improvement Project (i.e. RMB37,435,804.00 (tax inclusive)) and the contract sum of the construction supervision for the New Rural Power Grid Consolidation and Improvement Project (i.e. RMB2,497,138.00 (tax inclusive)) in the Construction Supervision Contract. The Group will only take part in the construction supervision for part of the 2023 Rural Power Grid Consolidation and Improvement Project.

Pricing: The estimated contract price was the successful tender price offered by Sichuan Yilian 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 evaluation panel 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 qualification(s) possessed by the professional team of the bidder to be engaged.

Payment terms: The contract price shall be paid in the following manner:

- (i) 15% of the estimated contract price as advance payments within 14 days upon approval by the Construction Supervision Implementation Units and Other Construction Supervision Implementation Units of the application for advance payments;
- (ii) up to 80% of the contract price based on the actual amount of construction work completed every two months;

- (iii) up to 97% of the contract price after settlement and audit, delivery of all supervision materials and execution of project delivery certificate; and
- (iv) the remaining 3% of the contract price shall be retained as quality warranty and payable after the expiry of the quality defect liability period.

Advance payment guarantee:

The contractors shall provide an advance payment guarantee, either in the form of cash or a letter of guarantee, with an amount not less than the advance payment payable under the Construction Supervision Contract.

The advance payment guarantee shall be released once the advance payment is fully utilised.

Performance guarantee:

The supervisor 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 performance guarantee shall be returned to the contractors after the satisfactory completion inspection of the project and upon the approval by the principal of the application to return the performance guarantee to be submitted by the supervisor.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 RURAL POWER GRID CONTRACTS

According to the Approval of the Sichuan Province Development and Reform Commission on the 2023 Rural Power Grid Consolidation and Improvement Project Feasibility Study Report (Chuan Fa Gai Neng Yuan [2023] No. 86) (四川省發展和改革委員會關於2023年農網鞏固提升工程項目可行性研究報告的批覆(川發改能源[2023]86號)), Hydropower Group shall be responsible for the unified organization and implementation of the 2023 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 (《中華人民共和國招投標法》) and other relevant laws and regulations and finally determined the winning bidders of the 2023 Rural Power Grid Contracts. The implementation of the 2023 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.

The Directors (excluding the independent non-executive Directors, whose opinion on the 2023 Rural Power Grid Contracts and the transactions contemplated thereunder by reference to the advice from the independent financial adviser in this regard will be set forth in the circular, and the Directors who have abstained from voting on the Board resolutions (as set out below) to approve the 2023 Rural Power Grid Contracts) are of the view that the 2023 Rural Power Grid Contracts are entered into (i) on normal commercial terms or better; and (ii) on terms that 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 abstained from voting on the Board resolutions to approve the 2023 Rural Power Grid Contracts voluntarily. Save and except for the aforesaid, none of the Directors has any material interest in the 2023 Rural Power Grid Contracts and was required to abstain from voting on the relevant Board resolutions in relation to the 2023 Rural Power Grid Contracts.

LISTING RULES IMPLICATIONS

EPC CONTRACT FOR 10KV AND BELOW PROJECT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other 10kV and Below Project Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Energy Construction is a direct subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and certain Other 10kV and Below Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for 10kV and Below Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other 10kV and Below Project Implementation Units are associates of Hydropower Group. Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Materials Industry Group and certain Other 10kV and Below Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Equipment and Materials Procurement Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

EPC CONTRACT FOR 35KV AND ABOVE PROJECT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other 35kV and Above Project Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Energy Construction is a direct subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy and certain Other 35kV and Above Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for 35kV and Above Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

EPC CONTRACT FOR AUTOMATION ENGINEERING PROJECT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other Automation Engineering Project Implementation Units (as defined below) are associates of Hydropower Group. Sun Technology is a direct subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sun Technology, Sichuan Energy Consolidated Energy and certain Other Automation Engineering Project Implementation Units (as defined below) are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for Automation Engineering Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

CONSTRUCTION SUPERVISION CONTRACT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company and certain Other Construction Supervision Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Yilian is a subsidiary of Energy Investment Group which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Yilian and the Other Construction Supervision Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Construction Supervision Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transactions contemplated under the 2023 Rural Power Grid Contracts on an aggregated basis (i) exceeds 25% but is less than 100%, the transactions contemplated thereunder constitute major transactions of the Company which are subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) exceeds 5% and the total consideration is more than HK\$10,000,000, the transactions contemplated thereunder constitute connected transactions of the Company and is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Based on the Company's past experience and estimation, the estimated maximum final settlement price of the EPC Contract for 10kV and Below Project, the Equipment and Materials Procurement Contract, the EPC Contract for 35kV and Above Project, the EPC Contract for Automation Engineering Project and the Construction Supervision Contract is expected to have a fluctuation of no more than 5% from the contract price. If the actual final settlement price of the 2023 Rural Power Grid Contracts exceeds the estimated maximum final settlement price, the Company will make relevant announcement(s) as and when necessary and fulfill the relevant requirements under the Listing Rules (if applicable).

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.

Xuzhou Electricity

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

Gao County Electricity

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

Gong County Electricity

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

Junlian Electricity

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

Pingshan Electricity

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 in Pingshan County, Yibin City, Sichuan Province.

Xingwen Electricity

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

Sichuan Energy Investment Development Construction

Sichuan Energy Investment Development Construction Co., Ltd. * (四川能投發展建設有限公司) (formerly known as Sichuan Energy Yibin Electricity Engineering Co. Ltd.* (四川能投宜賓電力工程建設有限公司)) is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company which engaged in inspection and maintenance of transformer substations, hydropower stations and electricity transmission lines.

Hydropower Group

Hydropower Group is owned as to approximately 77.74% by Energy Investment Group, and owned indirectly as to 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 wholly-owned by Sichuan Development Co., which 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 Construction

Sichuan Energy Construction is a limited liability company established in the PRC and is held as to approximately 93.52% by Energy Investment Group, 3.80% by Hydropower Group and 2.68% by Sichuan Chemical Works Group Ltd.* (川化集團有限責任公司). Sichuan Energy Construction is engaged in project planning, project investment, design and consulting, construction, operation in engineering construction.

Sichuan Energy Consolidated Energy

Sichuan Energy Consolidated Energy is a limited liability company established in the PRC, a wholly-owned subsidiary of Hydropower Group. Sichuan Energy Consolidated Energy 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.

Materials Industry Group

Material Industry Group is a limited liability company established in the PRC on 16 April 2013 and a wholly-owned subsidiary of Energy Investment Group and engaged in sale of metal materials and products, sale of construction materials, sale of cement products, sale of coal and related products, and sale of electrical equipment.

Sun Technology

Sun Technology is a limited liability company established in the PRC and is owned as to approximately 67% by Hydropower Group, approximately 25% by Sichuan LenSyn Technology Co., Ltd.* (四川能信科技股份有限公司) and approximately 8% by Mr. Li Guangying (李光映). It is primarily engaged in the development and sale of computer software and hardware. Sichuan LenSyn Technology Co., Ltd. is a company with issued shares quoted on the National Equities Exchange and Quotations (stock code: 837522).

Sichuan Yilian

Sichuan Yilian is a limited liability company established in the PRC and is indirectly owned as to approximately 33.52% by Energy Investment Group, directly owned as to approximately 66.48% by four individual investors namely Chen Wei (譔維), Yan Jingsong (閻勁松), Li Zhixiang (李志翔) and Chen Zhiqi (陳志棋), all of whom are independent third parties.

Other Implementation Units

Other 10kV and Below Project Implementation Units

Other 10kV and Below Project Implementation Units comprise (a) Sichuan Energy Investment Changning Electric Power Co., Ltd.* (四川能投長寧電力有限公司), Dazhou Electric Power Group Co., Ltd.* (達州電力集團有限公司), Sichuan Hydropower Group Dazhou Electric Power 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 Electric Power 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 Quxian Electric Power 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 Wan yuan Longyuan Electric Power 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 Zhaojue Electric Power Co., Ltd.* (四川昭覺電力有限責任公司), Luzhou Yuyu Electric Power Development Co., Ltd.* (瀘州玉宇電力有限責任公司), Sichuan Hydropower Investment and Management Group Zizhong Longyuan Electric Power Co., Ltd.* (四川省水電投資經營集團資中龍源電力有限公司), Sichuan Hydropower Investment and Management Group Qingchuan Electric Power Co., Ltd.* (四川省水電投資經營集團青川電力有限公司), Sichuan Guang'an Aizhong Co., Ltd.* (四川廣安愛眾股份有限公司), Sichuan Yuechi Aizhong Electric Power Co., Ltd.* (四川省岳池愛眾電力有限公司), Huaying City Local Electric Power Co., Ltd.* (華鎣市地方電力有限責任公司), Sichuan Hydropower Investment and Management Group Yong'an Electric Power Co., Ltd.* (四川省水電投資經營集團永安電力股份有限公司), Sichuan Pingwu Electric Power (Group) Co., Ltd.* (四川省平武電力(集團)有限公司), and Sichuan Hydropower Group Jiangyuan Electric Power Co., Ltd.* (四川省水電集團江源電力有限公司), all of which are established in the PRC principally engaged in power generation and supply and are controlled or invested by Hydropower Group; and (b) Sichuan Dadu River Electric Power Co., Ltd.* (四川大渡河電力股份有限公司), a joint stock company established in the PRC with limited liability held as to approximately 58.09% by E'bian Yi Autonomous County Financial Bureau (峨邊彝族自治縣財政局) and 17.5% by Song Yunjie (宋雲傑) (and no other shareholders directly hold more than 10% or more of equity interests in the company), which mainly engaged in power generation and supply (collectively the “**Other 10kV and Below Project Implementation Units**”).

Other 35kV and Above Project Implementation Units

Other 35kV and Above 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 Electric Power Group Co., Ltd.* (達州電力集團有限公司), Sichuan Hydropower Group Dazhou Electric Power 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 Electric Power 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 Quxian Electric Power 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 Wan yuan Longyuan Electric Power 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), Luzhou Yuyu Electric Power Co., Ltd.* (瀘州玉宇電力有限責任公司), Sichuan Hydropower Investment and Management Group Zizhong Longyuan Electric Power Co., Ltd.* (四川省水電投資經營集團資中龍源電力有限公司), Sichuan Hydropower Investment and Management Group Yong'an Electric Power Co., Ltd.* (四川省水電投資經營集團永安電力股份有限公司), Sichuan Pingwu Electric Power (Group) Co., Ltd.* (四川省平武電力(集團)有限公司), Sichuan Hydropower Group Jiangyuan Electric Power Co., Ltd.* (四川省水電集團江源電力有限公司), Sichuan Hydropower Investment and Management Group Meigu Electric Power Co., Ltd.* (四川省水電投資經營集團美姑電力有限公司), all of which are established in the PRC principally engaged in power generation and supply and are controlled or invested by Hydropower Group (collectively the “**Other 35kV and Above Project Implementation Units**”).

Other Automation Engineering Project Implementation Units

Other Automation Engineering Project Implementation Units comprise Dazhou Electric Power Group Co., Ltd.* (達州電力集團有限公司), Sichuan Hydropower Group Dazhou Electric Power 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 Electric Power 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 Quxian Electric Power 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 Wan yuan Longyuan Electric Power 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 Zhaojue Electric Power Co., Ltd.* (四川昭覺電力有限責任公司), Luzhou Yuyu Electric Power Co., Ltd.* (瀘州玉宇電力有限責任公司), Sichuan Hydropower Investment and Management Group Zizhong Longyuan Electric Power Co., Ltd.* (四川省水電投資經營集團資中龍源電力有限公司), Sichuan Hydropower Investment and Management Group Qingchuan Electric Power Co., Ltd.* (四川省水電投資經營集團青川電力有限公司), Huaying Local Electric Power Co., Ltd.* (華鎣市地方電力有限責任公司), Sichuan Hydropower Investment and Management Group Yong'an Electric Power Co., Ltd.* (四川省水電投資經營集團永安電力股份有限公司), Sichuan Pingwu Electric Power (Group) Co., Ltd.* (四川省平武電力(集團)有限公司), Sichuan Hydropower Group Jiangyuan Electric Power Co., Ltd.* (四川省水電集團江源電力有限公司), Sichuan Hydropower Investment and Management Group Meigu Electric Power Co., Ltd.* (四川省水電投資經營集團美姑電力有限公司), Sichuan Hydropower Investment and Management Group Puge Electric Power Co., Ltd.* (四川省水電投資經營集團普格電力有限公司), Sichuan Hydropower Group Jinyuan Electric Power Co., Ltd.* (四川省水電集團金陽電力有限公司), Sichuan Hydropower Investment and Management Group Dege Gesar Electric Power Co., Ltd.* (四川省水電投資經營集團德格格薩爾電力有限公司), all of which are established in the PRC principally engaged in power generation and supply and are controlled or invested by Hydropower Group (collectively the “**Other Automation Engineering Project Implementation Units**”).

Other Construction Supervision Implementation Units

Other Construction Supervision Implementation Units comprise (a) Sichuan Energy Investment Changning Electric Power Co., Ltd.* (四川能投長寧電力有限公司), Dazhou Electric Power Group Co., Ltd.* (達州電力集團有限公司), Sichuan Hydropower Group Dazhou Electric Power 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 Electric Power 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 Quxian Electric Power 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 Wan yuan Longyuan Electric Power 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 Zhaojue Electric Power Co., Ltd.* (四川昭覺電力有限責任公司), Luzhou Yuyu Electric Power Co., Ltd.* (瀘州玉宇電力有限責任公司), Sichuan Hydropower Investment and Management Group Zizhong Longyuan Electric Power Co., Ltd.* (四川省水電投資經營集團資中龍源電力有限公司), Sichuan Hydropower Investment and Management Group Qingchuan Electric Power Co., Ltd.* (四川省水電投資經營集團青川電力有限公司), Sichuan Guang'an Aizhong Co., Ltd.* (四川廣安愛眾股份有限公司), Sichuan Yuechi Aizhong Electric Power Co., Ltd.* (四川省岳池愛眾電力有限公司), Huaying City Local Electric Power Co., Ltd.* (華鎣市地方電力有限責任公司), Sichuan Hydropower Investment and Management Group Yong'an Electric Power Co., Ltd.* (四川省水電投資經營集團永安電力股份有限公司), Sichuan Pingwu Electric Power (Group) Co., Ltd.* (四川省平武電力(集團)有限公司), Sichuan Hydropower Group Jiangyuan Electric Power Co., Ltd.* (四川省水電集團江源電力有限公司), Sichuan Hydropower Investment and Management Group Puge Electric Power Co., Ltd.* (四川省水電投資經營集團普格電力有限公司), Sichuan Hydropower Group Jinyuan Electric Power Co., Ltd.* (四川省水電集團金陽電力有限公司), Sichuan Hydropower Investment and Management Group Dege Gesar Electric Power Co., Ltd.* (四川省水電投資經營集團德格格薩爾電力有限公司), all of which are established in the PRC principally engaged in power generation and supply and are controlled or invested by Hydropower Group; and (b) Sichuan Dadu River Electric Power Co., Ltd.* (四川大渡河電力股份有限公司), a joint stock company established in the PRC with limited liability held as to approximately 58.09% by E'bian Yi Autonomous County Financial Bureau (峨邊彝族自治縣財政局) and 17.5% by Song Yunjie (宋雲傑) (and no other shareholders directly hold more than 10% or more of equity interests in the company), which mainly engaged in power generation and supply (collectively the “**Other Construction Supervision Implementation Units**”).

GENERAL

The Company will convene an EGM to seek Independent Shareholders' approval on the 2023 Rural Power Grid Contracts and the transactions contemplated thereunder.

The Company has established the Independent Board Committee to advise the Independent Shareholders in relation to the transactions contemplated under the 2023 Rural Power Grid Contracts. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules. The Independent Board Committee will form its view after obtaining and considering the advice from the independent financial adviser.

Hydropower Group, Energy Investment Group, and their respective associates will abstain from voting on the ordinary resolution(s) approving the transactions contemplated under the 2023 Rural Power Grid Contracts at the EGM to be held by the Company.

A circular containing, among others, (i) further details of the 2023 Rural Power Grid Contracts; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of EGM and other information as required under the Listing Rules will be despatched to the Shareholders. The circular is expected to be despatched on or before 30 August 2024 as additional time is required for the preparation of information to be included in the circular.

DEFINITIONS

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

“10kV and Below Project”	the 10kV and Below Project, comprising, among others, the construction and modification of 10kV circuit line, distribution transformers, low voltage lines and meters
“10kV and Below Project Implementation Units”	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity
“2023 Rural Power Grid Consolidation and Improvement Project”	2023 Rural Power Grid Consolidation and Improvement Engineering Project, which comprises the 10kV and Below Project, 35kV and Above Project and the Automation Engineering Project
“2023 Rural Power Grid Contracts”	the EPC Contract for 10kV and Below Project, the Equipment and Materials Procurement Contract, the EPC Contract for 35kV and Above Project, the EPC Contract for Automation Engineering Project, and Construction Supervision Contract
“35kV and Above Project”	the 35kV and Above Project, comprising, among others, the construction and modification of 110kV substations, main transformers, 110kV circuit line, 35kV substations, main transformers and 35kV circuit line
“35kV and Above Project Implementation Units”	Xuzhou Electricity, Pingshan Electricity, Gong County Electricity and Junlian Electricity
“associate”	has the meaning ascribed to it under the Listing Rules
“Automation Engineering Project”	the Automation Engineering Project, comprising, among others, (i) the construction of the portion relating to communication and auxiliary control for various 35kV and above projects; (ii) the automation improvement engineering, including rural power grid dispatching automation engineering, transformers station operation, maintenance and recondition and main station system engineering, dispatching automation network security level protection engineering, distribution grid dispatching automation engineering, energy use safety engineering and rural power grid distribution energy automation system and supporting projects of Hydropower Group; and (iii) communication improvement project in Changning County, which includes the improvement of the rural power grid communication system within the county
“Automation Engineering Project Implementation Units”	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity

“Board”	the Board of Directors
“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”	has the meaning ascribed to it under the Listing Rules
“Construction Supervision Contract”	the construction supervision contract dated 3 July 2024 and entered into between Hydropower Group, Sichuan Yilian, the Construction Supervision Implementation Units and the Other Construction Supervision Implementation Units
“Construction Supervision Implementation Units”	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity
“controlling shareholder(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
“EGM”	an extraordinary general meeting to be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the 2023 Rural Power Grid Contracts and the transactions contemplated thereunder
“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 and one of the controlling shareholders of the Company
“EPC”	engineering, procurement and construction
“EPC Contract for 10kV and Below Project”	the EPC contract for 10kV and Below Project dated 3 July 2024 and entered into between Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy, Sichuan Energy Investment Development Construction, the 10kV and Below Project Implementation Units and the Other 10kV and Below Project Implementation Units
“EPC Contract for 35kV and Above Project”	the EPC contract for 35kV and Above Project dated 3 July 2024 and entered into between Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy, Sichuan Energy Investment Development Construction, the 35kV and Above Project Implementation Units and the Other 35kV and Above Project Implementation Units

“EPC contract for Automation Engineering Project”	the EPC contract for Automation Engineering Project dated 3 July 2024 and entered into between Hydropower Group, Sun Technology, Sichuan Energy Consolidated Energy, the Automation Engineering Project Implementation Units and the Other Automation Engineering Project Implementation Units
“Equipment and Materials Procurement Contract”	the equipment and materials procurement contract dated 3 July 2024 and entered into between Hydropower Group, Materials Industry Group, the 10kV and Below Project Implementation Units and the Other 10kV and Below Project Implementation Units
“Gao County Electricity”	Sichuan Energy Investment Gao County Electricity Co., Ltd.* (四川能投高縣電力有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Gong County Electricity”	Sichuan Energy Investment Gong County Electricity Co., Ltd.* (四川能投珙縣電力有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“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
“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 and one of the controlling shareholders of the Company
“Independent Board Committee”	an independent board committee of the Board (which comprises Mr. Kin Kwong Kwok Gary, Ms. He Zhen, Mr. Wang Peng, Prof. Li Jian and Ms. He Yin, all of them are independent non-executive Directors) established to advise the Independent Shareholders in respect of the connected transactions contemplated under the 2023 Rural Power Grid Contracts
“Independent Shareholder(s)”	Shareholders who are not interested in the 2023 Rural Power Grid Contracts and are not required under the Listing Rules to abstain from voting on the resolutions to approve the 2023 Rural Power Grid Contracts and the transactions contemplated thereunder at the EGM
“Junlian Electricity”	Sichuan Energy Investment Junlian Electricity Co., Ltd.* (四川能投筠連電力有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Materials Industry Group”	Sichuan Energy Investment Materials Industry Group Co., Ltd.* (四川能投物資產業集團有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of Energy Investment Group and a connected person of the Company
“Pingshan Electricity”	Sichuan Energy 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 and a wholly owned subsidiary of the Company
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	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 wholly state-owned enterprise with limited liability established in the PRC and one of the controlling shareholders of the Company
“Sichuan Energy Consolidated Energy”	Sichuan Energy Consolidated Energy Co., Ltd.* (四川能投綜合能源有限責任公司), a limited liability company established in the PRC, a wholly-owned subsidiary of Hydropower Group and a connected person of the Company
“Sichuan Energy Construction”	Sichuan Energy Investment Construction Engineering Group Co., Ltd.* (四川能投建工集團有限公司), a limited liability company established in the PRC, a direct subsidiary of Energy Investment Group and a connected person of the Company
“Sichuan Energy Investment Development Construction”	Sichuan Energy Investment Development Construction Co., Ltd. * (四川能投發展建設有限公司) (formerly known as Sichuan Energy Yibin Electricity Engineering Co. Ltd.* (四川能投宜賓電力工程建設有限公司)), a company established in the PRC and a wholly-owned subsidiary of the Company
“Sichuan Yilian”	Sichuan Yilian Construction Project Management Co., Ltd* (四川億聯建設工程項目管理有限公司), a limited liability company established in the PRC and indirectly owned as to approximately 33.52% by Energy Investment Group and is a connected person of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Technology”	Sun Technology Company Limited* (成都太陽高科技有限責任公司), a company established in the PRC with limited liability and is owned as to approximately 67% by Hydropower Group, and is a connected person of the Company
“Xingwen Electricity”	Sichuan Energy Investment Xingwen Electricity Co., Ltd.* (四川能投興文電力有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Xuzhou Electricity”	Sichuan Energy Investment Yibin City Xuzhou Electricity Co., Ltd.* (四川能投宜賓市敘州電力有限公司), a limited liability company established in the PRC on 18 June 2012 and a wholly-owned subsidiary of the Company
“%”	per cent

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

Chengdu, Sichuan Province, the PRC
3 July 2024

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 Ms. Han Chunhong, Mr. Tao Xueqing, Ms. Liang Hong, Ms. Lv Yan and Mr. Kong Ce; and the independent non-executive Directors are Mr. Kin Kwong Kwok Gary, Ms. He Zhen, Mr. Wang Peng, Prof. Li Jian and Ms. He Yin.

* for identification purposes only