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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)**

- (1) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE 2025-2026 PROPERTY MANAGEMENT FRAMEWORK AGREEMENT;**  
**(2) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE YILIANGRUIYUAN ELECTRICITY PURCHASE FRAMEWORK AGREEMENT;**  
**(3) REVISION OF EXISTING ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTION REGARDING THE LEASING OF SUBSTATIONS; AND**  
**(4) CONTINUING CONNECTED TRANSACTION IN RELATION TO RENEWAL OF LEASING OF SUBSTATIONS**

**2025-2026 PROPERTY MANAGEMENT FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 3 July 2024 in relation to, among others, the entering into of the 2024 Property Management Agreement. As the 2024 Property Management Agreement will expire on 31 December 2024, on 24 December 2024, after trading hours, the Company entered into the 2025-2026 Property Management Framework Agreement with Baishiji. Pursuant to the 2025-2026 Property Management Framework Agreement, Baishiji agreed to continue to provide certain property management related and other services to the Group from 1 January 2025 to 31 December 2026.

**YILIANGRUIYUAN ELECTRICITY PURCHASE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 28 December 2021 in relation to, among others, the entering into of the 2022 Electricity Purchases and Sales Agreement between Gong County Electricity and Yiliangruiyuan Hydropower for a fixed term of 3 years from 1 January 2022 to 31 December 2024. As the 2022 Electricity Purchases Sales Agreement will expire on 31 December 2024, on 24 December 2024, after trading hours, the Company entered into the Yiliangruiyuan Electricity Purchase Framework Agreement with Yiliangruiyuan Hydropower, pursuant to which Yiliangruiyuan Hydropower shall supply electricity to the Company and its subsidiaries from 1 January 2025 and up to 31 December 2027.

## **REVISION OF EXISTING ANNUAL CAP (2024)**

Reference is made to the announcement dated 28 December 2023 in relation to the leasing of six temporary substations from Sichuan Energy Investment Development Construction to Changning Natural Gas for the period between 1 January 2024 and 31 December 2024.

On 24 December 2024, Sichuan Energy Investment Development Construction and Changning Natural Gas agreed to retrospectively apply an updated rental rate on the Lease (2024), and as a result the Existing Annual Cap (2024) is revised from RMB5,600,000 to RMB5,900,000 for the year ending 31 December 2024.

## **RENEWAL OF THE LEASE FOR THE YEAR ENDING 31 DECEMBER 2025**

As the Lease (2024) will soon expire on 31 December 2024, on 24 December 2024, Sichuan Energy Investment Development Construction and Changning Natural Gas have agreed in writing to further renew the Lease (2024) for a term of one year from 1 January 2025 to 31 December 2025.

## **LISTING RULES IMPLICATIONS**

### **2025-2026 Property Management Framework Agreement**

As at the date of this announcement, Energy Investment Group is one of the controlling shareholders of the Company, and Baishiji is a wholly-owned subsidiary of Energy Investment Group. Accordingly, Energy Investment Group and Baishiji are connected persons of the Company under the Listing Rules, and the transactions contemplated under the 2025-2026 Property Management Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the annual caps for the transactions contemplated under the 2025-2026 Property Management Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated under the 2025-2026 Property Management Framework Agreement will be subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Yiliangruiyuan Electricity Purchase Framework Agreement**

As at the date of this announcement, Energy Investment Group controls in aggregate of approximately 58.0% of the equity interests of Yiliangruiyuan Hydropower. Accordingly, Yiliangruiyuan Hydropower is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the annual caps for the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreements exceed 0.1% but less than 5%, the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreements will be subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Revision of Existing Annual Cap (2024)**

As at the date of this announcement, Changning Natural Gas is owned as to 30% by Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Changning Natural Gas is an associate of Energy Investment Group and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules and the transaction contemplated under the revision of the Existing Annual Cap (2024) (resulting from the revision of the rental rate) constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

Accordingly, as the highest applicable percentage ratio in respect of the New Annual Cap (2024) for the Lease (2024) exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the Lease (2024) (after the revision of the Existing Annual Cap (2024)) are therefore subject to the reporting, announcement and annual review requirements, but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Renewal of the Lease for the year ending 31 December 2025**

As aforementioned, by virtue of Changning Natural Gas being an associate of Energy Investment Group and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules, the transaction contemplated under the Lease (2025) constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Cap (2025) for the Lease (2025) exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the Lease (2025) are therefore subject to the reporting, announcement and annual review requirements, but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **1. 2025-2026 PROPERTY MANAGEMENT FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 3 July 2024 in relation to, among others, the entering into of the 2024 Property Management Agreement. As the 2024 Property Management Agreement will expire on 31 December 2024, on 24 December 2024, after trading hours, the Company entered into the 2025-2026 Property Management Framework Agreement with Baishiji. Pursuant to the 2025-2026 Property Management Framework Agreement, Baishiji agreed to continue to provide certain property management related and other services to the Group from 1 January 2025 to 31 December 2026.

## 1.1. Principal terms of the 2025-2026 Property Management Framework Agreement

The principal terms of the 2025-2026 Property Management Framework Agreement are summarised as follows:

**Date:** 24 December 2024 (after trading hours)

**Parties:** (1) The Company  
(2) Baishiji

**Term:** From 1 January 2025 to 31 December 2026

**Subject Matter:** Baishiji agrees to provide the following services to the Company and its subsidiaries with the pricing policies and payment terms as set out below:

**(a) *Property Management Services***

**Scope of Services:** Baishiji shall provide property management services to the properties designated by the Group, including (but not limited to) office area environment maintenance services, order maintenance services, public area engineering and maintenance, maintenance services and parking space maintenance services, pursuant to the scopes and standards provided by the Group.

**Pricing Policy:** The service fees for the property management services shall be determined after arm's length negotiations having regard to (where applicable), among others, the nature of the property, the gross floor area to be managed, the locations of the properties, the scope of services, the prevailing market rates and the historical transaction amounts. Subject to the compliance to the pricing policy, Baishiji and the Group can modify the service fees to be paid under specific service agreements based on the actual services provided by entering into supplemental agreements.

**Payment terms:** Payment shall be made in accordance with the specific service agreements to be entered into.

**(b) *Specific Services***

Scope of Services: Baishiji shall provide specific services to the Group, including (but not limited to) catering services (including but not limited to meal services for employees, takeaway services and dining services), greening services, indoor cleaning and housekeeping services and administrative front-desk services to the Group pursuant to the scopes and standards provided by the Group.

Pricing Policy: The service fees for special property management services shall be determined after arm's length negotiations having regard to (where applicable), among others, the gross floor area to be managed, the nature of the properties, the locations of the properties, the scope of services, the prevailing market rates and historical transaction amounts.

Payment terms: Payment shall be made in accordance with the specific service agreements to be entered into.

**(c) *Other Property Services***

Scope of Services: Baishiji shall provide other property services, including (but not limited to) construction waste removal, marble cleaning, carpet cleaning and exterior wall cleaning before project induction, indoor cleaning, maintenance, fire safety, procurement of materials for environment maintenance services for property owners' exclusive areas, and other property services requested by the Group, in accordance with the scopes and standards provided by the Group.

Pricing Policy: The service fees for other property services shall be determined after arm's length negotiations having regard to (where applicable), among others, the nature of the property, the gross floor area to be managed, the locations of the properties, the scope of services, the prevailing market rates and historical transaction amounts.

Payment terms: Payment shall be made in accordance with the specific service agreements to be entered into.

**(d) Vehicle Rental Services**

Scope of Services: Baishiji shall provide vehicle(s) to the Group for renting for the Group's business purposes.

Pricing Policy: The service fees for the vehicle rental services shall be determined after arm's length negotiations having regard to (where applicable), among others, the number of vehicle(s) to be rented, the model and licence plate of the vehicle(s), the conditions of the vehicle(s), the rental period, the prevailing market rates and historical transaction amounts.

Payment terms: Payment shall be made in accordance with the specific service agreements to be entered into.

**(e) Procurement of Office and Welfare Supplies Services**

Scope of Services: The Group may procure office and welfare supplies as needed from Baishiji by furnishing Baishiji with the list of required office and welfare supplies.

Pricing Policy: The service fees for the procurement services shall be determined after arm's length negotiations having regard to (where applicable), among others, the type and quantity of the products to be procured, the delivery time and the prevailing market rate. Payment terms:

Payment shall be made in accordance with the specific service agreements to be entered into.

**Specific Service Agreement(s):**

The Company and/or its subsidiaries may enter into specific service agreements with Baishiji as needed for the actual transactions to be conducted, by following the agreed terms under the 2025-2026 Property Management Framework Agreement as basis. Such specific service agreements shall be entered into in normal commercial terms and conducted in the ordinary course of business.

All transaction contemplated under the 2025-2026 Property Management Framework Agreement shall be conducted on normal commercial terms.

## 1.2. Historical transaction amounts and annual caps

### *Historical transactions amounts in relation to the provision of property management related and other services to the Group*

Set out below is the historical transactions amount and the annual cap for the property management related and other services to the Group:

For the year ended 31 December 2022		For the year ended 31 December 2023		For the 10 months ended 31 October 2024	
Historical amount (RMB)	Annual cap (RMB)	Historical amount (RMB)	Annual cap (RMB)	Historical amount (RMB)	Annual cap (RMB)
					6,300,000
5,347,869.70	10,300,000	7,717,073.91	10,300,000	4,471,698.57	(Note)

Note: The annual cap is for the year ending 31 December 2024.

### *Annual caps for 2025-2026 Property Management Framework Agreement and the basis of determination*

The table below sets out the proposed annual caps for the provision of property management related and other services by Baishiji to the Group under the 2025-2026 Property Management Framework Agreement for the two years ending 31 December 2026:

	For the year ending 31 December	
	2025 (RMB)	2026 (RMB)
The maximum amount of service fee payable by the Group to Baishiji pursuant to the 2025-2026 Property Management Framework Agreement	20,500,000	20,500,000

In determining the maximum amount of service fee payable, the Company has considered the (i) historical amount of service fee incurred by the Group to Baishiji during the two years ended 31 December 2023 and the 10 months ended 31 October 2024; (ii) the scope of property management related and other services required and the number of subsidiaries of the Group and staff requiring such services; and (iii) a reasonable buffer to cater for the operation needs of the Group and the possibility of increase in labour costs and price costs for rendering the services.

The higher magnitude of increase in the annual caps for the two years ending 31 December 2025 and 2026, as compared to the previous years, is mainly attributable to the expected higher needs of property management services from Baishiji by the Group to cater for the Group's business operation and development needs in 2025 and 2026. For instance, it is the current plan of the Company to relocate to a new office premises in Chengdu City in 2025 (subject to the progress of renovation of the premises), which has a larger GFA than the existing office premises occupied by the Group and will be managed by Baishiji, to improve the working environment for the Company's staff. Further, a number of subsidiaries of the Group (including several newly incorporated subsidiaries) have moved into, or will move into, properties which are managed by Baishiji in 2024 and 2025 as a result of business expansion and development. As a result, the scope of service as well as the total number of subsidiaries and staff of the Group to be serviced by Baishiji are expected to increase significantly as compared to the previous years. Accordingly, it is expected that the associated costs of service (including the manpower required) will increase, and the amount of service fee payable under the 2025-2026 Property Management Framework Agreement for the years ended 31 December 2025 and 2026 will also correspondingly increase.

### **1.3. Reasons for and benefits of entering into the 2025-2026 Property Management Framework 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 service providers who are Independent Third Parties.

As the 2024 Property Management Agreement will expire on 31 December 2024, the Company has decided to continue the continuing connected transactions with Baishiji by entering into the 2025-2026 Property Management Framework Agreement until 31 December 2026. The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the Board resolutions (as set out below) to approve the 2025-2026 Property Management Framework Agreement) are of the view that the 2025-2026 Property Management Framework Agreement is 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 2025-2026 Property Management Framework Agreement voluntarily. Save as disclosed above, none of the Directors have material interest in the 2025-2026 Property Management Framework Agreement and hence no other Director was required to abstain from voting on the relevant resolution approving the same.



#### **1.4. Internal control measures**

In order to ensure that the terms under the 2025-2026 Property Management Framework Agreement for the continuing connected transactions contemplated thereunder are fair and reasonable and the connected transactions are carried out under normal commercial terms, the Company have adopted the following internal control procedures:

- (i) the office management department of the Company will monitor the transactions under the 2025-2026 Property Management Framework Agreement on a regular basis, and assess whether the annual caps are expected to be exceeded based on the amount of service fee already incurred by the Group. Where necessary, before the annual caps are exceeded, the office management department of the Company will elevate such issue to the Board with proposed revised annual caps and such other relevant information so that the Board will be in a position to consider and, where applicable, comply with applicable Listing Rules in connection with such revised annual caps;
- (ii) prior to entering into of any specific service agreements, the personnel of relevant departments (including but not limited to the audit department, financial assets department and office management department) of the Company as well as the legal counsels engaged by the Company from time to time will review and assess the specific terms and conditions of the transactions to ensure their consistency with the 2025-2026 Property Management Framework Agreement. The office management department will also consider factors such as the area of the properties, number of rooms, greening requirements, daily maintenance, the level of property management service fees for similar office buildings in the vicinity and ensure that the service fees under the specific service agreements are no less favorable than those to be offered by the Independent Third Parties; and
- (iii) Independent non-executive Directors and auditors of the Company will conduct annual review of the transactions under the 2025-2026 Property Management Framework Agreement and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreements and the Group's pricing policy measures, and to confirm if the price and terms offered are fair and reasonable and comparable to those offered by Independent Third Parties.

## **2. YILIANGRUIYUAN ELECTRICITY PURCHASE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 28 December 2021 in relation to, among others, the entering into of the 2022 Electricity Purchases and Sales Agreement between Gong County Electricity and Yiliangruiyuan Hydropower for a fixed term of 3 years from 1 January 2022 to 31 December 2024. As the 2022 Electricity Purchases Sales Agreement will expire on 31 December 2024, on 24 December 2024, after trading hours, the Company entered into the Yiliangruiyuan Electricity Purchase Framework Agreement with Yiliangruiyuan Hydropower, pursuant to which Yiliangruiyuan Hydropower shall supply electricity to the Company and its subsidiaries from 1 January 2025 and up to 31 December 2027.

## 2.1. Principal terms of the Yiliangruiyuan Electricity Purchase Framework Agreement

The principal terms of the Yiliangruiyuan Electricity Purchase Framework Agreement are summarised as follows:

<b>Date:</b>	24 December 2024 (after trading hours)
<b>Parties:</b>	(1) the Company (as purchaser)  (2) Yiliangruiyuan Hydropower (as supplier)
<b>Subject matter:</b>	Pursuant to the Yiliangruiyuan Electricity Purchase Framework Agreement, Yiliangruiyuan Hydropower shall supply electricity to the Company and its subsidiaries for each year between 2025 and 2027
<b>Term:</b>	From 1 January 2025 to 31 December 2027
<b>Subsidiary agreement:</b>	Pursuant to the terms of the Yiliangruiyuan Electricity Purchase Framework Agreement, the parties to the agreement shall further agree on, to the extent applicable, the unit price of electricity, the policy of measurement of volume of electricity supplied, and terms of settlement by entering into separate specific subsidiary agreements within the ambit of the Yiliangruiyuan Electricity Purchase Framework Agreement.
<b>Pricing policy:</b>	The unit price of electricity payable under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be as follows:

	<b>Unit price of electricity (tax exclusive)</b>	<b>Unit price of electricity (tax inclusive)</b> <i>(Note)</i>
Yiliangruiyuan Electricity Purchase Framework Agreement	RMB0.31068 per kWh	RMB0.32 per kWh

*Note:* The unit price of electricity (tax inclusive) is calculated based on the rate of value added tax according to the PRC government policy.

The unit price of electricity payable under the Yiliangruiyuan Electricity Purchase Framework Agreement is subject to the adjustment under Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》). The total electricity fee payable under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be the relevant unit price of electricity multiplied by the actual volume of on-grid electricity supplied to the Group.

The unit price of electricity payable under the Yiliangruiyuan Electricity Purchase Framework Agreement set out above was determined after arm's length negotiation between the Company and Yiliangruiyuan Hydropower, with reference to (i) the historical unit price paid by the Group for the electricity purchased from the power station of Yiliangruiyuan Hydropower; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) the respective average unit price of electricity so far in 2024 charged by (a) State Grid Corporation of China (國家電網有限公司), being approximately RMB0.3683 per kWh (tax exclusive), and (b) China Southern Power Grid Company Limited (中國南方電網有限責任公司), being approximately RMB0.3739 per kWh (tax exclusive).

**Annual caps of electricity fee payable by the Group:**

Pursuant to the terms of the Yiliangruiyuan Electricity Purchase Framework Agreement, the annual caps of electricity fee payable by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be RMB12,500,000, RMB12,500,000 and RMB12,500,000 for the years ending 31 December 2025, 2026 and 2027, respectively.

**Payment Term:**

The electricity fee payable by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be settled on a monthly basis.

## 2.2. Historical transaction amounts

The historical amount of the electricity fees paid by Gong County Electricity to Yiliangruiyuan Hydropower in respect of the electricity supply under the 2022 Electricity Purchases and Sales Agreement during each of the two years ended 31 December 2023 and the 10 months ended 31 October 2024 and the relevant existing annual caps are set out in the table below:

For the year ended 31 December 2022		For the year ended 31 December 2023		For the 10 months ended 31 October 2024	
Historical amount of electricity fees	Annual cap	Historical amount of electricity fees	Annual cap	Historical amount of electricity fees	Annual cap
(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)
11,196,808.12	16,000,000	10,411,126.28	16,000,000	8,720,403.89	16,000,000
					(Note)

Note: The annual cap is for the year ending 31 December 2024.

## 2.3. Annual caps and basis for determination

Pursuant to the terms of the Yiliangruiyuan Electricity Purchase Framework Agreement, the annual caps of electricity fee payable by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be RMB12,500,000, RMB12,500,000 and RMB12,500,000 for the years ending 31 December 2025, 2026 and 2027, respectively.

In determining the above annual caps, the Company has considered the following factors:

- (i) the estimated maximum volume of electricity to be purchased by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement for the three years ending 31 December 2027, in particular, the Group had made reference to the average annual utilization hours of the power stations of Yiliangruiyuan Hydropower in the past five years and the rated output capacity of electricity generation of such power stations;
- (ii) the unit price of electricity payable by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement, which was determined after arm's length negotiation between the Group and Yiliangruiyuan Hydropower with reference to (i) the historical unit price paid by the Group for the electricity supplied by Yiliangruiyuan Hydropower; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) the respective average unit price of electricity so far in 2024 charged by State Grid Corporation of China (國家電網有限公司) and (ii) China Southern Power Grid Company Limited (中國南方電網有限責任公司). It is noted that the unit price of electricity offered by Yiliangruiyuan Hydropower is lower than the respective average unit price of electricity charged by State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司) so far in 2024;

- (iii) the adjustments to the unit price of electricity under the Yiliangruiyuan Electricity Purchase Framework Agreement during the water-sufficient and water-deficit seasons as set out under the Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》), which would affect the total amount of electricity fees payable under a year; and
- (iv) a reasonable buffer to cater for the operating need from time to time in determining the proposed annual caps of the fees payable to the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement.

#### **2.4. Reasons for and benefits of entering into the Yiliangruiyuan Electricity Purchase Framework Agreement**

Yiliangruiyuan Hydropower is primarily engaged in hydropower generation, and its Hydropower Station was qualified for grid-connection for electricity generation in February 2019. The Company has been purchasing electricity from Yiliangruiyuan Hydropower since March 2019.

After taking into account (i) the stable business relationship with Yiliangruiyuan Hydropower which had been providing stable electricity supply to the Group over the years; and (ii) the unit price of electricity offered by Yiliangruiyuan Hydropower was arrived after arm's length negotiation between the parties, and was determined with reference to the historical unit price of electricity purchased from Yiliangruiyuan Hydropower, which was lower than the average unit price of electricity in 2024 so far charged by State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限公司), being the two state-owned electric utility corporations in the PRC, the Board therefore considered that it would be beneficial to continue to purchase electricity from with Yiliangruiyuan Hydropower by entering into the Yiliangruiyuan Electricity Purchase Framework Agreement, as it would enable to the Group to continue to enjoy a favourable and competitive electricity price which will be conducive in controlling the operating costs of the Group, enhancing the Group's power supply capability in the relevant regions, particularly during the peak demand period of electricity, and diversifying the portfolio of the Group's electricity suppliers.

The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the Board resolutions (as set out below) to approve the Yiliangruiyuan Electricity Purchase Framework Agreement) are of the view that (i) the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreement are on normal commercial terms or better, and are entered into in the ordinary and usual course of business of the Group; and (ii) the terms and conditions contained under the Yiliangruiyuan Electricity Purchase Framework Agreement and the annual caps 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 Yiliangruiyuan Electricity Purchase Framework Agreement voluntarily. Save as disclosed above, none of the Directors have material interest in the Yiliangruiyuan Electricity Purchase Framework Agreement and hence no other Director was required to abstain from voting on the relevant resolutions approving the same.

## **2.5. Internal control measures**

In order to ensure that the terms under the Yiliangruiyuan Electricity Purchase Framework Agreement for the continuing connected transactions contemplated thereunder are fair and reasonable and the connected transactions are carried out under normal commercial terms, the Company has adopted the following internal control procedures:

- (i) the operation management department of the Company will monitor the transactions under the Yiliangruiyuan Electricity Purchase Framework Agreement on a regular basis, and assess whether the annual caps are expected to be exceeded based on the volume of electricity already purchased and the amount of electricity fee already incurred by the Group. Where necessary, before the annual caps are exceeded, the operation management department of the Company will elevate such issue to the Board with proposed revised annual caps and such other relevant information so that the Board will be in a position to consider and, where applicable, comply with applicable Listing Rules in connection with such revised annual caps;
- (ii) prior to entering into of any specific subsidiary agreements, the personnel of relevant departments (including but not limited to the audit department, financial assets department and operation management department) of the Company as well as the legal counsels engaged by the Company from time to time will review and assess the specific terms and conditions of the transactions to ensure their consistency with the Yiliangruiyuan Electricity Purchase Framework Agreement. The operation management department will also compare the unit price of electricity offered under such specific subsidiary agreements with those offered by Independent Third Parties (including State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司)) and ensure that the unit price of electricity offered under the specific subsidiary agreements are no less favorable than those to be offered by the Independent Third Parties; and
- (iii) Independent non-executive Directors and auditors of the Company will conduct annual review of the transactions under the Yiliangruiyuan Electricity Purchase Framework Agreement (including the unit rates of electricity charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreements and the Group's pricing policy measures, and to confirm if the price and terms offered are fair and reasonable and comparable to those offered by Independent Third Parties.

### **3. REVISION OF EXISTING ANNUAL CAP (2024)**

Reference is made to the announcement dated 28 December 2023 in relation to the leasing of six temporary substations from Sichuan Energy Investment Development Construction to Changing Natural Gas for the period between 1 January 2024 and 31 December 2024.

On 24 December 2024, Sichuan Energy Investment Development Construction and Changing Natural Gas agreed to retrospectively apply an updated rental rate on the Lease (2024) (the “**Revision of Rental Rate**”), and as a result the Existing Annual Cap (2024) is revised from RMB5,600,000 to RMB5,900,000 for the year ending 31 December 2024.

Save as disclosed above, all the other terms remain unchanged for the Lease (2024).

#### **3.1. Historical transaction amount**

The amount of total rental for the period from 1 January 2024 to 31 October 2024 for the Lease (2024) (prior to the Revision of Rental Rate) shall be approximately RMB4,883,179.20, which does not exceed the Existing Annual Cap (2024) for the year ending 31 December 2024, i.e. RMB5,600,000.

#### **3.2. New annual cap and basis**

The New Annual Cap (2024) under the Lease (2024) shall be RMB5,900,000, which is based on the total amount of rental payable under the Lease (2024) (after the Revision of Rental Rate), and represents an upward adjustment from the Existing Annual Cap (2024) (i.e. from RMB5,600,000 for the year ending 31 December 2024).

#### **3.3. Reasons for and benefits of the revision of existing annual cap (2024)**

The Revision of Rental Rate is agreed between Sichuan Energy Investment Development Construction to Changing Natural Gas after arm’s length negotiation, which the Company consider the new rental rate of the Lease (2024) (after the Revision of Rental Rate) to be no less favorable than the rental rate charged by the Group to Independent Third Parties for leasing similar substations, and that the upward adjustment of the rental rate of the Lease (2024) would increase the income of the Company to be generated from the Lease. As a result of the Revision of Rental Rate, the Existing Annual Cap (2024) was also revised to the New Annual Cap (2024) (i.e. from RMB5,600,000 to RMB5,900,000)

Having considered the above, the Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the Board resolutions (as set out below) to approve the Revision of Rental Rate and the New Annual Cap (2024)) consider that the Revision of Rental Rate and the New Annual Cap (2024) are fair and reasonable, and the transactions contemplated thereunder are entered into on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

As Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi are the Directors nominated by Hydropower Group (the subsidiary of Energy Investment Group), they have abstained from voting on the Board resolutions to approve the Revision of Rental Rate and the New Annual Cap (2024) voluntarily. Save and except for the aforesaid, none of the Directors has any material interest in the Revision of Rental Rate and the New Annual Cap (2024) and was required to abstain from voting on the relevant Board resolutions in relation to such revisions.

#### **4. RENEWAL OF THE LEASE FOR THE YEAR ENDING 31 DECEMBER 2025**

As the Lease (2024) will soon expire on 31 December 2024, on 24 December 2024, Sichuan Energy Investment Development Construction and Changning Natural Gas have agreed in writing to further renew the Lease (2024) for a term of one year from 1 January 2025 to 31 December 2025.

##### **4.1. Information on the Lease (2025)**

Parties:	(1) Sichuan Energy Investment Development Construction (as lessor)
	(2) Changning Natural Gas (as lessee)
Transaction:	Sichuan Energy Investment Development Construction shall lease six temporary substations to Changning Natural Gas from 1 January 2025 to 31 December 2025.
Price and payment terms:	<p>The total rental under the Lease (2025) shall not exceed RMB5,900,000, which is based on the sum of the total lease payment of each of the six temporary substations pursuant to their respective monthly rental over the lease period of 12 months under the Lease (2025).</p> <p>Rental payment should be paid by Changning Natural Gas to Sichuan Energy Investment Development Construction every three months.</p>
Pricing basis:	<p>The monthly rental rates of the six temporary substations under the Lease (2025) are determined on arm's length basis, with reference to the latest prevailing market rates, the tariffs for power transmission and distribution at the relevant locations and the rent charged by Sichuan Energy Investment Development Construction to other independent third parties.</p> <p>The monthly rental rate under the Lease (2025) offered by Sichuan Energy Investment Development Construction to Changning Natural Gas is not lower than the rates offered to Independent Third Parties.</p>



Historical figures:	The amount of total rental payable for the period from 1 January 2024 to 31 October 2024 for the Lease (2024) (after the Revision of Rental Rate, for details please refer to the paragraph headed “3. Revision of Existing Annual Cap (2024)” in this announcement) shall be approximately RMB4,883,179.2, which does not exceed the New Annual Cap (2024) for the year ending 31 December 2024.
New Annual Cap and basis:	The Annual Cap (2025) under the Lease (2025) is RMB5,900,000, which is based on the total amount of rental payable under the Lease (2025). The Lease (2025) will expire by 31 December 2025.

## **5. REASONS FOR AND BENEFITS OF THE RENEWAL OF THE LEASE FOR THE YEAR ENDING 31 DECEMBER 2025**

Reference is made to the announcement of the Company dated 28 December 2023. Changing Natural Gas is the implementation unit of a national key shale gas development project located within the region of our business operation. The Group has been leasing the substations to Changing Natural Gas as a gesture of proactively supporting the national key development projects.

The Directors consider that by providing quality service through the current cooperation with Changing Natural Gas, it would facilitate the Group’s expansion to the power construction market beyond its region of business operation, and provide more opportunities of business cooperation with other non-power sectors. The transaction contemplated under the Lease (2025) would also increase the operation income of the Company, thus enhancing its financial performance. Furthermore, by participating in a national key development project, the Directors consider that it would enhance the Company’s reputation and brand influence.

In light of the above, the Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the Board resolutions (as set out below) to approve the renewal of the Lease for the year ending 31 December 2025) consider that the terms of the Lease (2025) and the Annual Cap (2025) are fair and reasonable, and the transactions contemplated thereunder are entered into on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

As Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi are the Directors nominated by Hydropower Group (the subsidiary of Energy Investment Group), they have abstained from voting on the Board resolutions to approve the renewal of the Lease for the year ending 31 December 2025 voluntarily. Save and except for the aforesaid, none of the Directors has any material interest in the renewal of the Lease for the year ending 31 December 2025 and was required to abstain from voting on the relevant Board resolutions in relation to such renewal.

## 6. 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.

### Sichuan Energy Investment Development Construction

Sichuan Energy Investment Development Construction is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. It is primarily engaged in inspection and maintenance of transformer substations, hydropower stations and electricity transmission lines.

### Baishiji

Baishiji is a company established in the PRC with limited liability, which is primarily engaged in property management and maintenance. It is a wholly-owned subsidiary of Energy Investment Group.

### Yiliangruiyuan Hydropower

Yiliangruiyuan Hydropower is a limited liability company established in the PRC and is owned as to 34% by Sichuan Tiantaiheneng Industry Co., Ltd\* (四川天泰合能實業有限公司) (“**Tiantaiheneng**”), 33.18% by Sichuan Energy Investment Development Group Co., Ltd\* (四川能投電力開發集團有限公司) (“**Energy Investment Development Group**”), 24.82% by Chengdu Hightech Jinkun Microloans Co., Ltd\* (成都市高新區金坤小額貸款有限公司) (“**Jinkun Microloans**”) and 8% by Liu Yuanyuan, an Independent Third Party.

Tiantaiheneng is a limited liability company established in the PRC which is owned as to 90% and 10% by He Yuanmei and Zhang Jiaxian, respectively, all of whom are Independent Third Parties. Energy Investment Development Group is a limited liability company established in the PRC which is owned as to approximately 77.6% and 22.4% by Energy Investment Group and Hydropower Group, respectively. Jinkun Microloans is a limited liability company established in the PRC which is indirectly owned as to approximately 69.4% and 30.6% by Hydropower Group and Energy Investment Group, respectively.

Hydropower Group is a limited liability company established in the PRC, and was owned as to approximately 77.74% by Energy Investment Group, 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)). As at the date of the announcement, Energy Investment Group was wholly-owned by Sichuan Development Co., which was 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.

Yiliangruiyuan Hydropower is primarily engaged in hydropower generation and hydropower generation equipment maintenance.

### **Changing Natural Gas**

Changing Natural Gas is a limited liability company established in the PRC on 2 December 2013 which is primarily engaged in the exploration, development and sale of shale gas in cooperation with PetroChina Company Limited.

Changing Natural Gas is owned as to approximately 55% by PetroChina Company Limited (中國石油天然氣股份有限公司), 30% by Energy Investment Group, 10% by Yibin Development Holding Group Co., Ltd.\* (宜賓發展控股集團有限公司) and 5% by Beijing Guolian Energy Industry Investment Fund (Limited Partnership)\* (北京國聯能源產業投資基金(有限合夥)).

PetroChina Company Limited is an oil and gas producer and distributor company with state-owned background in the PRC, the H Shares of which are listed on the Stock Exchange (stock code: 0857) and the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601857).

## **7. LISTING RULES IMPLICATIONS**

### **2025-2026 Property Management Framework Agreement**

As at the date of this announcement, Energy Investment Group is one of the controlling shareholders of the Company, and Baishiji is a wholly-owned subsidiary of Energy Investment Group. Accordingly, Energy Investment Group and Baishiji are connected persons of the Company under the Listing Rules, and the transactions contemplated under the 2025-2026 Property Management Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the annual caps for the transactions contemplated under the 2025-2026 Property Management Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated under the 2025-2026 Property Management Framework Agreement will be subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **Yiliangruiyuan Electricity Purchase Framework Agreement**

As at the date of this announcement, Energy Investment Group controls in aggregate of approximately 58.0% of the equity interests of Yiliangruiyuan Hydropower. Accordingly, Yiliangruiyuan Hydropower is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the annual caps for the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreements exceed 0.1% but less than 5%, the transactions contemplated under the Yiliangruiyuan Electricity Purchase Framework Agreements will be subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Revision of Existing Annual Cap (2024)**

As at the date of this announcement, Changning Natural Gas is owned as to 30% by Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Changning Natural Gas is an associate of Energy Investment Group and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules and the transaction contemplated under the Revision of Existing Annual Cap constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

Accordingly, as the highest applicable percentage ratio in respect of the New Annual Cap (2024) for the Lease (2024) exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the Lease (2024) (after the revision of the Existing Annual Cap (2024)) are therefore subject to the reporting, announcement and annual review requirements, but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Renewal of the Lease for the year ending 31 December 2025**

As aforementioned, by virtue of Changning Natural Gas being an associate of Energy Investment Group and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules, the transaction contemplated under the Lease (2025) constitutes a continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Cap (2025) for the Lease (2025) exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the Lease (2025) are therefore subject to the reporting, announcement and annual review requirements, but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## 8. DEFINITION

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

“2022 Electricity Purchases and Sales Agreement”	the agreement dated 28 December 2021 entered into between Gong County Electricity and Yiliangruiyuan Hydropower, pursuant to which Yiliangruiyuan Hydropower agreed to sell electricity to Gong County Electricity
“2024 Property Management Framework Agreement”	the property management framework agreement entered into between Baishiji and the Company dated 3 July 2024, in relation to the provision of certain property management related and other services by Baishiji to the Group up to 31 December 2024
“2025-2026 Property Management Framework Agreement”	the property management framework agreement entered into between Baishiji and the Company dated 24 December 2024, in relation to the provision of certain property management related and other services by Baishiji to the Group up to 31 December 2026
“Annual Cap (2025)”	the annual cap, being RMB5,900,000, for the leasing of six substations from Sichuan Energy Investment Development Construction to Changning Natural Gas for the year ending 31 December 2025
“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 and a wholly-owned subsidiary of Energy Investment Group
“Board”	the board of Directors
“Changning Natural Gas”	Sichuan Changning Natural Gas Development Co., Ltd.* (四川長寧天然氣開發有限責任公司), a limited liability company established in the PRC
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 1713), a joint stock company established in the PRC with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholders”	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
“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
“Existing Annual Cap (2024)”	the annual cap (before the Revision of Rental Rate) for the leasing of six substations from Sichuan Energy Investment Development Construction to Changing Natural Gas for the year ending 31 December 2024. For details, please refer to the announcement of the Company dated 28 December 2023
“GFA”	gross floor area
“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)”	the 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 Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company
“kwh”	kilowatt hour
“Lease”	the lease of the six temporary substations from Sichuan Energy Investment Development Construction to Changing Natural Gas

“Lease (2024)”	the lease of the six temporary substations from Sichuan Energy Investment Development Construction to Changning Natural Gas for the period between 1 January 2024 and 31 December 2024. For details, please refer to the announcement of the Company dated 28 December 2023
“Lease (2025)”	the lease of the six temporary substations from Sichuan Energy Investment Development Construction to Changning Natural Gas for the period between 1 January 2025 and 31 December 2025
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Annual Cap (2024)”	the annual cap (after the Revision of Rental Rate), being RMB5,900,000, for the leasing of six substations from Sichuan Energy Investment Development Construction to Changning Natural Gas for the year ending 31 December 2024
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	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 under the laws of the PRC and one of the Controlling Shareholders 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 with limited liability and a wholly-owned subsidiary of the Company
“sq.m.”	Square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yiliangruiyuan Electricity Purchase Framework Agreement”	the electricity purchase framework agreement dated 24 December 2024 and entered into between the Company and Yiliangruiyuan Hydropower

“Yiliangruiyuan  
Hydropower”

Yunnan Yiliangruiyuan Hydropower Development Co., Ltd\* (雲南彝良瑞源水電開發有限公司), a limited liability company established in the PRC which is controlled in aggregate of approximately 58.0% of the equity interests by Energy Investment Group

“%”

per cent

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

Chengdu, Sichuan Province, the PRC  
24 December 2024

*As at the date of this announcement, the executive directors of the Company are Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi; the non-executive directors of the Company are Ms. Han Chunhong, Mr. Tao Xueqing, Mr. Gao Bin, Mr. Kong Ce and Mr. Zhao Gen; and the independent non-executive directors of the Company are Mr. Siu Chi Hung, Mr. Chen Chuan, Mr. Mou Yingshi, Prof. Li Jian and Ms. He Yin.*

\* For identification purposes only