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**四川能投發展股份有限公司**  
**Sichuan Energy Investment Development Co., Ltd.\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01713)**

**CONNECTED TRANSACTION**  
**SUBCONTRACTING AGREEMENT**

**THE SUBCONTRACTING AGREEMENT**

On 26 March 2025, after trading hours, Sichuan Energy Investment Development Construction (a wholly-owned subsidiary of the Company) entered into the Subcontracting Agreement with Sun Technology, a connected person of the Company, pursuant to which Sun Technology agreed to provide certain contracting services to the Company for the Information System Project at the contract price of RMB11,873,557 (tax inclusive).

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Sun Technology is a non-wholly owned subsidiary of Hydropower Group, which is one of the controlling Shareholders of the Company. Accordingly, Sun Technology is an associate of Hydropower Group and therefore a connected person of the Company under Rule 14A.07 and the transactions contemplated under the Subcontracting Agreement constitute connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Subcontracting Agreement and the transactions contemplated thereunder is less than 5% but the consideration exceeds HK\$3 million, the Subcontracting Agreement and the transactions contemplated thereunder is subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**INTRODUCTION**

On 26 March 2025, after trading hours, the Company entered into the Subcontracting Agreement with Sun Technology, a connected person of the Company, pursuant to which Sun Technology agreed to provide certain contracting services to the Company for the Information System Project at the contract price of RMB11,873,557 (tax inclusive).

## THE SUBCONTRACTING AGREEMENT

The principal terms of the Subcontracting Agreement are set out below:

- Date: 26 March 2025 (after trading hours)
- Parties: (i) Sichuan Energy Investment Development Construction  
(ii) Sun Technology
- Scope of service: Sun Technology shall provide contracting services to the construction of the information system for the new construction project of the Xingwen County Comprehensive Information Dispatch Center Building (興文縣綜合信息化調度中心大樓), comprising (i) construction of smart building, including, among others, video surveillance system, facial recognition system, computer network system and information server room, etc; (ii) construction of smart display for conference rooms; (iii) construction of support system; and (iv) relocation of systems, including the relocation of the dispatching system, customer service system, metrological testing system and safety emergency system, etc.
- Construction period: From the day of commencement of works to 28 October 2025
- Defect liability period: One year
- Contract price and payment terms: The contract price under the Subcontracting Agreement is RMB11,873,557.00 (tax inclusive), comprising software fees of RMB76,741.00 (tax inclusive), equipment material of RMB11,304,631.00 (tax inclusive); and installation and testing fee of RMB492,185.00 (tax inclusive).
- The entire sum of the contract price of the Subcontracting Agreement would be financed by the Group's internal fund.
- The contract price shall be paid in the following manner:
- (i) a prepayment in the amount of 30% of the total contract price shall be paid within 14 days upon the effective date of the Subcontracting Agreement;
  - (ii) monthly progress payments shall be paid according to the progress of the project, up to an aggregate amount of 80% of the total contract price (inclusive of the payment in (i));
  - (iii) up to 90% of the total contract price (inclusive of the payments in (i) and (ii)) shall be paid after the completion of the works and upon the satisfactory inspection by the property owner;
  - (iv) up to 97% of the total contract price (inclusive of the payments in (i), (ii) and (iii)) shall be paid upon the completion of the project settlement audit; and
  - (v) 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.

## **BASIS OF DETERMINATION OF THE CONTRACT PRICE UNDER THE SUBCONTRACTING AGREEMENT**

The estimated contract price is the offer made by Sun Technology in the competitive negotiation and accepted by the bid evaluation committee (評標委員會) after detailed evaluation in accordance with the relevant laws and regulations of the People's Republic of China as well as the competitive negotiation 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.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBCONTRACTING AGREEMENT**

The current project contemplated under the Contracting Agreement forms part of the new construction project of the Xingwen County Comprehensive Information Dispatch Center Building which Sichuan Energy Investment Development Construction serves as the main contractor. As at the date of this announcement, the main building of the Xingwen County Comprehensive Information Dispatch Center Building has completed topping-out. To enhance construction efficiency and to ensure completion and enable occupancy as soon as possible, therefore Sichuan Energy Investment Development Construction subcontracted the part of the project in relation to the information system out.

Sun Technology was selected as the contractor after completion of the competitive consultative procurement process of the project contemplated under the Subcontracting Agreement. The bidding process fully complied with the provisions of the Tendering and 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.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that (i) the Subcontracting Agreement was entered into in the ordinary and usual course of business of the Group; (ii) the transactions contemplated under the Subcontracting Agreement are on normal commercial terms or better; and (iii) the terms and conditions contained under the Subcontracting Agreement 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 entering into of the Subcontracting Agreement voluntarily. Save as disclosed above, none of the Directors has material interest in the abovementioned connected transaction and hence no other Director was required to abstain from voting on the relevant resolution approving the same.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Sun Technology is a non-wholly owned subsidiary of Hydropower Group, which is one of the controlling Shareholders of the Company. Accordingly, Sun Technology is an associate of Hydropower Group and therefore a connected person of the Company under Rule 14A.07 and the transactions contemplated under the Subcontracting Agreement constitute connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Subcontracting Agreement and the transactions contemplated thereunder is less than 5% but the consideration exceeds HK\$3 million, the Subcontracting Agreement and the transactions contemplated thereunder is subject to the reporting and announcement requirements but are exempt from the 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 Subcontracting Agreement is expected to have a fluctuation of no more than 20% from the contract price. If the actual final settlement price of the Subcontracting Agreement 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**

### **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.

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.

### **Sun Technology**

Sun Technology is a limited liability company established in the PRC and is owned as to approximately 67% by Hydropower Group (one of the controlling Shareholders of the Company), 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.

Hydropower Group, one of the Controlling Shareholders of the Company, is a company incorporated in the PRC with limited liability. It is primarily engaged in sale of electricity and investment, construction, operation and maintenance of power grid mainly in the Mianyang City (綿陽市), Liangshan Yi Autonomous Prefecture (涼山彝族自治州) and Dazhou City (達州市) of Sichuan Province. Hydropower Group is a limited liability company established in the PRC, and is owned as to approximately 77.74% by Sichuan Energy Development 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, Sichuan Energy Development Group was owned as to 50.054% by 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), 45.333% by Sichuan Development Co. and 4.613% by Sichuan Provincial Department of Finance\* (四川省財政廳). Sichuan Development Co. 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.

Sichuan Lensyn Technology Co., Ltd. is a company established in the PRC with issued shares quoted on the National Equities Exchange and Quotations (stock code: 837522).

## DEFINITIONS

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

“Board”	the board of Directors
“Chairman”	the chairman of the Board
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 01713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hydropower Group”	Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司), a limited liability company established in the PRC and one of the Controlling Shareholders
“Information System Project”	The Information System Project contemplated under the Subcontracting Agreement with the scope of service as set out in the paragraph headed “The Subcontracting Agreement – Scope of service” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC”	the People’s Republic of China, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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
“Sichuan Energy Development Group”	Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司), a limited liability company established in the PRC and one of the controlling shareholders of the Company

“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
“Subcontracting Agreement”	the professional subcontracting agreement of the information system project of the new construction project of Xingwen County Comprehensive Information Dispatch Center Building (興文縣綜合信息化調度中心大樓新建工程信息化系統項目專業分包合同) dated 26 March 2025 and entered into between Sichuan Energy Investment Development Construction and Sun Technology, pursuant to which Sun Technology agrees to provide certain subcontracting services for the Information System Project at the contract price of RMB11,873,557 (tax inclusive)
“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, which is an associate of Hydropower Group

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

Chengdu, Sichuan Province, the PRC  
26 March 2025

*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