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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**  
**IN RELATION TO ACQUISITION OF PROPERTIES**

**BACKGROUND**

On 11 April 2023, after trading hours, Pingshan Electricity, a wholly-owned subsidiary of the Company, entered into the Property Purchase Agreement with Pingshan Jinping, a connected person of the Company, pursuant to which Pingshan Electricity agreed to purchase, and Pingshan Jinping agreed to sell, the Properties for a consideration of RMB35.50 million.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Pingshan Jinping is indirectly held as to more than 30% by Hydropower Group and Energy Investment Group, who are the Controlling Shareholders. Accordingly, Pingshan Jinping is an associate of Hydropower Group and Energy Investment Group, respectively, and therefore a connected person of the Company under Rule 14A.07, and the Acquisition constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Acquisition is less than 5% but the consideration exceeds HK\$3 million, the Acquisition 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.

**THE ACQUISITION**

On 11 April 2023, after trading hours, Pingshan Electricity, a wholly-owned subsidiary of the Company, entered into the Property Purchase Agreement with Pingshan Jinping, a connected person of the Company, pursuant to which Pingshan Electricity agreed to purchase, and Pingshan Jinping agreed to sell, the Properties for a consideration of RMB35.50 million.

The principal terms of the Property Purchase Agreement are set out below:

Date:	11 April 2023 (after trading hours)
Parties:	<ol style="list-style-type: none"><li>1. Pingshan Electricity, as the purchaser</li><li>2. Pingshan Jinping, as the vendor</li></ol>
Nature of transaction:	Pursuant to the Property Purchase Agreement, Pingshan Electricity agreed to purchase and Pingshan Jinping agreed to sell the Properties, subject to the terms and conditions of the Property Purchase Agreement.
The Properties:	<p>The Properties comprise the unsold premises between the basement and up to the 5th floor of the building complex located at the west section of Jinshajiang Avenue, Pingshan Town, Yibin City, more particularly: the carparks and warehouse at the basement; the commercial premises and office premises at the 1st floor, and the office premises at the 2nd, 3rd, 4th and 5th floor, with a total construction area of 6,161.63 sq.m..</p> <p>The building complex where the Properties are located was developed by Pingshan Jinping, and hence there was no acquisition cost incurred by Pingshan Jinping.</p> <p>The valuation of the Properties as at 26 September 2022 is RMB35.50 million, as prepared in accordance with the market approach by an independent valuer engaged by Pingshan Jinping.</p>
Consideration and payment terms:	<p>The Consideration is RMB35.50 million, out of which (i) 90% of the Consideration, i.e. RMB31.95 million shall be paid by Pingshan Electricity upon the execution of the Property Purchase Agreement and the receipt by Pingshan Electricity of the relevant value-added tax invoice from Pingshan Jinping; (ii) 9% of the Consideration, i.e. RMB3.195 million shall be paid by Pingshan Electricity after the issue of the property title certificate; and (iii) 1% of the Consideration, i.e. RMB355,000, as the property quality guarantee deposit, shall be paid by Pingshan Electricity within 30 business days after the completion of certain improvement works agreed under the Property Purchase Agreement.</p> <p>The consideration for the acquisition of the Properties was determined after arm's length negotiation between Pingshan Electricity and Pingshan Jinping with reference to the aforesaid appraised value of the Properties by the independent valuer.</p>
Delivery:	Delivery of the Properties shall take place within 30 business days upon payment of 90% of the Consideration.

## **REASONS AND BENEFITS OF THE ACQUISITION**

Back in 2015, the Group had already acquired several premises with an aggregate construction area of approximately 5,500 sq.m. in the same building complex where the Properties are located, and have been using those premises as offices since then.

Currently, the Company intends to acquire the Properties further from Pingshan Jinping, and develop the premises held by the Group in the building complex into a power supply service command center with staff dormitory, for the purpose of strengthening synergy and command in customer service, establishing an effective supervision and management system, and consolidating the foundation for talent management.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Acquisition were arrived at after arm's length negotiation, are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interest of the Group and its Shareholders as a whole.

As Mr. He Jing, Mr. Li Hui and Ms. Xie Peixi are the Directors nominated by Hydropower Group, they have abstained from voting on the Board resolution to approve the Acquisition voluntarily. Save and except for the aforesaid, none of the Directors has any material interest in the Acquisition and was required to abstain from voting on the Board resolution in relation to the Acquisition.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Pingshan Jinping is indirectly held as to more than 30% by Hydropower Group and Energy Investment Group, who are the Controlling Shareholders. Accordingly, Pingshan Jinping is an associate of Hydropower Group and Energy Investment Group, respectively, and therefore a connected person of the Company under Rule 14A.07, and the Acquisition constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Acquisition is less than 5% but the consideration exceeds HK\$3 million, the Acquisition 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.

## **INFORMATION OF THE PARTIES**

### **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.

### **Pingshan Electricity**

Pingshan Electricity is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. It principally engages in electricity sales.

## **Pingshan Jinping**

Pingshan Jinping is a limited liability company established in the PRC. It is owned as to approximately 51% by Sichuan Jinjiao Real Estate Development Co., Ltd.\* (四川金嬌房地產開發有限公司) and approximately 49% by the Company. Sichuan Jinjiao Real Estate Development Co., Ltd.\* is in turn indirectly held as to in aggregate approximately 84.2% by Energy Investment Group and 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 State-owned Assets Supervision and Administration Commission of Sichuan Province (四川省政府國有資產監督管理委員會) and 10% by the Sichuan Provincial Finance Department (四川省財政廳).

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Properties by Pingshan Electricity from Pingshan Jinping as contemplated under the Property Purchase Agreement
“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
“Consideration”	the consideration for the acquisition of the Properties pursuant to the Property Purchase Agreement, being RMB35.50 million
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Energy Investment Group”	Sichuan Province Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司), a limited liability company established in the PRC on 21 February 2011 and one of our Controlling Shareholders
“Group”	the Company and its subsidiaries
“Hydropower Group”	Sichuan Province Hydropower Investment and Management Group Co., Ltd* (四川省水電投資經營集團有限公司), a limited liability company established in the PRC on 17 December 2004 and one of the controlling shareholders of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of The Stock Exchange
Pingshan Electricity	Sichuan Energy Power 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 which is an wholly-owned subsidiary of the Company
Pingshan Jinping	Pingshan Jinping Real Estate Development Co., Ltd.* (屏山金屏房地產開發有限公司), a limited liability company established in the PRC and an associate of Hydropower Group and Energy Investment Group
“Properties”	the Properties comprising the unsold premises between the basement and up to the 5th floor of the building complex located at the west section of Jinshajiang Avenue, Pingshan Town, Yibin City, more particularly: the carparks and warehouse at the basement; the commercial premises and office premises at the 1st floor, and the office premises at the 2nd, 3rd, 4th and 5th floor, with a total construction area of 6,161.63 sq.m.
“Property Purchase Agreement”	the property purchase agreement dated 11 April 2023 entered into between Pingshan Electricity and Pingshan Jinping in relation to the acquisition of the Properties
“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

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“%”    per cent

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

**He Jing**  
*Chairman*

Chengdu, Sichuan Province, the PRC  
11 April 2023

*As at the date of this announcement, the executive Directors are Mr. He Jing, Mr. Li Hui and Ms. Xie Peixi; the non-executive Directors are Ms. Han Chunhong, Ms. Liang Hong, Ms. Lv Yan, Mr. Tao Xueqing 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*