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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)

(I) DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO
(1) EPC CONTRACT FOR 10KV AND BELOW PROJECT;
(2) EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT;
(3) CONSTRUCTION SUPERVISION CONTRACT; AND
(4) EPC CONTRACT FOR 35KV AND ABOVE PROJECT; AND
(II) CONNECTED TRANSACTION IN RELATION TO
EQUIPMENT PROCUREMENT CONTRACT

(1) EPC CONTRACT FOR 10KV AND BELOW PROJECT

On 21 April 2023, after trading hours, the Implementation Units (all of which are wholly-owned subsidiaries of the Company) entered into the EPC Contract for 10kV and Below Project with, among others, Hydropower Group, Sichuan Energy Construction and Sichuan Energy Consolidated Energy, pursuant to which Sichuan Energy Construction and Sichuan Energy Consolidated Energy agreed to provide engineering, procurement and construction services for the 10kV and Below Project.

(2) EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT

On 21 April 2023, after trading hours, the Implementation Units (all of which are wholly-owned 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) CONSTRUCTION SUPERVISION CONTRACT

On 21 April 2023, after trading hours, the Implementation Units (all of which are wholly-owned subsidiaries of the Company) entered into the Construction Supervision Contract with Hydropower Group and Showsolid International, pursuant to which, Showsolid International agreed to provide construction supervision service for the Rural Power Grid Consolidation and Improvement Project.

(4) EPC CONTRACT FOR 35KV AND ABOVE PROJECT

On 21 April 2023, after trading hours, Sichuan Energy Yibin Electricity Engineering and Xuzhou Electricity (both are wholly-owned subsidiaries of the Company) entered into the EPC Contract for 35kV and Above Project with Hydropower Group, Xingneng Hydropower and Zizhong Longyuan Electricity, pursuant to which, Sichuan Energy Yibin Electricity Engineering and Xingneng Hydropower agreed to provide engineering, procurement and construction services for the 35kV and Above Project.

(5) EQUIPMENT PROCUREMENT CONTRACT

In furtherance to the procurement of equipment under the EPC Contract for 35kV and Above Project, Sichuan Energy Yibin Electricity Engineering (a wholly-owned subsidiary of the Company) proposed to enter into the Equipment Procurement Contract with Materials Industry Group, pursuant to which, Sichuan Energy Yibin Electricity Engineering shall procure and Materials Industry Group shall sell power distribution equipment.

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 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 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 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 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) CONSTRUCTION SUPERVISION CONTRACT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company. Accordingly, Hydropower Group is a connected person 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.

(D) 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. Zizhong Longyuan Electricity is a direct subsidiary of Hydropower Group and therefore an associate of Hydropower Group. Accordingly, Hydropower Group and Zizhong Longyuan Electricity 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.

(E) EQUIPMENT PROCUREMENT CONTRACT

As at the date of this announcement, Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Materials Industry Group is a connected person of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Equipment Procurement Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since all applicable percentage ratios in respect of the transactions contemplated under the 2022 Rural Power Grid Contracts on an aggregated basis (i) exceed 5% but below 25%, the transactions contemplated thereunder constitute discloseable transactions of the Company which are subject to the reporting and announcement 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.

Since all applicable ratios in respect of the transactions contemplated under the Equipment Procurement Contract exceed 0.1% but below 5%, the transactions contemplated under the Equipment Procurement Contract are 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 EPC Contract for 10kV and Below Project, the EPC Contract for 35kV and Above Project and the Equipment Procurement Contract shall not be more than 10% of the contract price and the estimated maximum final settlement price for the Equipment and Materials Procurement Contract and the Construction Supervision Contract shall not be more than 5% of the contract price. If the actual final settlement price of the 2022 Rural Power Grid Contracts and the Equipment Procurement Contract exceeds the estimated maximum final settlement price, the Company will make relevant announcement(s) in due course 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 2022 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 2022 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 June 2023 as additional time is required for the preparation of information to be included in the circular.

EPC CONTRACT FOR 10KV AND BELOW PROJECT

On 21 April 2023, after trading hours, the Implementation Units entered into the EPC Contract for 10kV and Below Project with, among others, Hydropower Group, Sichuan Energy Construction and Sichuan Energy Consolidated Energy. The principal terms of the EPC Contract for 10kV and Below Project are set out below:

Date:	21 April 2023 (after trading hours)
Parties:	<ol style="list-style-type: none">(1) Xuzhou Electricity;(2) Gao County Electricity;(3) Gong County Electricity;(4) Junlian Electricity;(5) Pingshan Electricity;(6) Xingwen Electricity;(7) Other Implementation Units;(8) Hydropower Group (as principal);(9) Sichuan Energy Construction (as contractor); and(10) Sichuan Energy Consolidated Energy (as contractor).
Project:	the 10kV and Below Project
Scope of service:	Survey, design, construction and equipment and materials procurement
Construction period:	264 calendar days
Conditions precedent:	<p>The contract shall become effective subject to the satisfaction of the following conditions precedent:</p> <ol style="list-style-type: none">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 Implementation Units and Other Implementation Units having been executed and become effective;
4. the self-financed funds (if any) of the Implementation Units and Other 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.

Period of warranty: 24 months commencing from the issuance of project delivery certificate

Total estimated contract price: RMB556,200,807 (tax inclusive) which comprises (i) the survey and design fee of RMB34,692,754 (tax inclusive); (ii) the construction fee of RMB517,810,946 (tax inclusive); and the materials fee of RMB3,697,107 (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 RMB556,200,807 (tax inclusive), it is envisaged that the Implementation Units shall share and be responsible for the payment of RMB154,773,350 (tax inclusive). Based on the Company's past experience and estimation, the final settlement amount shall not be more than 10% of the estimated contract price.

Pricing: The estimated contract price was the successful tender price offered by Sichuan Energy Construction 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 15% of the total estimated contract price and payable within 14 days upon approval by the implementation units of the application for advance payments.

(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 90% of the total survey and design fee after completion and acceptance of the project.

Up to 97% of the total survey and design fee 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 warranty 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 90% 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 warranty period.

Materials fee

Up to 90% of the total materials fee based on the actual amount of materials supplied.

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

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

The remaining 3% of the total 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 warranty period.

THE EQUIPMENT AND MATERIALS PROCUREMENT CONTRACT

On 21 April 2023, after trading hours, the 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: 21 April 2023 (after trading hours)

Parties:

- (1) Xuzhou Electricity;
- (2) Gao County Electricity;
- (3) Gong County Electricity;
- (4) Junlian Electricity;
- (5) Pingshan Electricity;
- (6) Xingwen Electricity;
- (7) Other Implementation Units;
- (8) Hydropower Group (as principal); and
- (9) Materials Industry Group (as contractor).

Project:	the 10kV and Below Project
Scope of service:	Equipment and materials procurement
Conditions precedent:	<p>The contract shall become effective subject to the satisfaction of the following conditions precedent:</p> <ol style="list-style-type: none"> 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 Implementation Units and Other Implementation Units having been executed and become effective; 4. the self-financed funds (if any) of the Implementation Units and Other 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.
Period of warranty:	12 months (commencing from the commissioning of the project) or 18 months (commencing from the delivery of products) unless otherwise specified under national and/or industrial standard and regulations.
Estimated contract price:	RMB550,528,455.16 (tax inclusive) (out of which the Implementation Units shall share and be responsible for the payment of RMB152,450,790.20 (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 shall not be more than 5% of the estimated contract price.

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 bid evaluation 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 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 there is no event of default.

THE CONSTRUCTION SUPERVISION CONTRACT

On 21 April 2023, after trading hours, the Implementation Units entered into the Construction Supervision Contract with Hydropower Group and Showsolid International. The principal terms of the Construction Supervision Contract are set out below:

- Date:** 21 April 2023 (after trading hours)
- Parties:**
- (1) Xuzhou Electricity;
 - (2) Gao County Electricity;
 - (3) Gong County Electricity;
 - (4) Junlian Electricity;
 - (5) Pingshan Electricity;
 - (6) Xingwen Electricity;
 - (7) Hydropower Group (as principal); and
 - (8) Showsolid International (as supervisor).
- Project:** the Rural Power Grid Consolidation and Improvement Project
- Scope of service:** Construction supervision
- 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 between Hydropower Group and the Implementation Units having been executed and become effective;
 - 4. the self-financed funds (if any) of the 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.

Period of warranty: 12 months

Estimated contract price: RMB4,187,986 (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 shall not be more than 5% of the estimated contract price.

Pricing: The estimated contract price was the successful tender price offered by Showsolid International 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 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 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 warranty period.

EPC CONTRACT FOR 35KV AND ABOVE PROJECT

On 21 April 2023, after trading hours, Sichuan Energy Yibin Electricity Engineering and Xuzhou Electricity entered into the EPC Contract for 35kV and Above Project with Hydropower Group, Xingneng Hydropower and Zizhong Longyuan Electricity. The principal terms of the EPC Contract for 35kV and Above Project are set out below:

- Date:** 21 April 2023 (after trading hours)
- Parties:**
- (1) Xuzhou Electricity (as implementation unit);
 - (2) Zizhong Longyuan Electricity (as implementation unit);
 - (3) Hydropower Group (as principal);
 - (4) Sichuan Energy Yibin Electricity Engineering (as contractor); and
 - (5) Xingneng Hydropower (as contractor).
- Project:** the 35kV and Above Project
- Scope of service:** Survey, design, construction and equipment and materials procurement
- Construction period:** 264 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, Xuzhou Electricity and Zizhong Longyuan Electricity having been executed and become effective;
 - 4. the self-financed funds (if any) of Xuzhou Electricity and Zizhong Longyuan Electricity 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.

Period of warranty: 24 months commencing from the issuance of project delivery certificate

Total estimated contract price: RMB32,943,497 (tax inclusive) which comprises (i) the survey and design fee of RMB1,174,628 (tax inclusive); (ii) the construction and installation fee of RMB11,319,166 (tax inclusive); and the equipment procurement fee of RMB20,449,703 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the said estimated total contract price of RMB32,943,497 (tax inclusive), it is envisaged that (i) Sichuan Energy Yibin Electricity Engineering as one of the contractors, will receive RMB31,768,869 (tax inclusive) for the services to be rendered; and (ii) Xuzhou Electricity as one of the implementation units, shall share and be responsible for the payment of RMB16,276,100 (tax inclusive). Based on the Company's past experience and estimation, the final settlement amount shall not be more than 10% of the estimated contract price.

Pricing: The estimated contract price was the successful tender price offered by Sichuan Energy Yibin Electricity Engineering and Xingneng Hydropower 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 the design institute of Sichuan Energy Yibin Electricity Engineering and Xingneng Hydropower 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) 15% of the total estimated contract price as advance payments within 14 days upon approval by the implementation units of the application for advance payments;
- (ii) up to 80% of the total contract price based on 80% of the actual amount of the construction work completed each month;
- (iii) up to 90% of the total contract price after completion and acceptance of the project;
- (iv) up to 97% of the total contract price after settlement and audit; and
- (iv) the remaining 3% of the total contract price shall be retained as quality warranty and payable (without interests) upon verification of completion of defect liability after the expiry of warranty period.

EQUIPMENT PROCUREMENT CONTRACT

In furtherance to the procurement of equipment under the EPC Contract for 35kV and Above Project, Sichuan Energy Yibin Electricity Engineering (a wholly-owned subsidiary of the Company) proposed to enter into the Equipment Procurement Contract with Materials Industry Group, pursuant to which, Sichuan Energy Yibin Electricity Engineering shall procure and Materials Industry Group shall sell power distribution equipment. The principal terms of the Equipment Procurement Contract are set out below:

Parties:

- (1) Sichuan Energy Yibin Electricity Engineering; and
- (2) Materials Industry Group.

Subject matter:

Pursuant to the Equipment Procurement Contract, Sichuan Energy Yibin Electricity Engineering shall procure and Materials Industry Group shall sell power distribution equipment, subject to the terms and conditions of the Equipment Procurement Contract.

Conditions precedent:

The contract shall become effective subject to the satisfaction of the following conditions precedent:

- 1. each party having executed the contract and affixed the seal thereto; and
- 2. the EPC Contract for 35kV and Above Project having become effective.

Period of warranty:	One year
Estimated contract price:	RMB19,620,540.38 (tax and delivery fee inclusive), subject to actual amount of equipment delivered and accepted by Sichuan Energy Yibin Electricity Engineering. Based on the Company's past experience and estimation, the final settlement amount shall not be more than 10% of the estimated contract price.
Pricing:	The estimated contract price was determined by arm's length negotiations between the parties with reference to the prevailing market price.
Payment terms:	<p>The contract price shall be paid in the following manner:</p> <ul style="list-style-type: none">(i) 15% of the estimated contract price as advance payments within 14 days after the contract is signed and becomes effective;(ii) 65% of the invoice amount after the equipment are delivered and accepted;(iii) 10% of the invoice amount after completion and acceptance of the project;(iv) 7% of the invoice amount after completion of audit of the project; and(v) the remaining 3% shall be retained as quality warranty. Upon the expiry of the warranty period and there is no quality issue, the remaining 3% shall be paid within 14 days after the receipt of application.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 RURAL POWER GRID CONTRACTS AND THE EQUIPMENT PROCUREMENT CONTRACT

According to the Approval of the Sichuan Province Development and Reform Commission on the Sichuan Province Hydropower Group Investment and Management Group Co., Ltd. 2022 Rural Power Grid Consolidation and Improvement Project Feasibility Study Report (Chuan Fa Gai Neng Yuan [2022] No. 237) (《四川省發展改革委員會關於四川省水電投資經營集團有限公司2022年農村電網鞏固提升工程項目可行性研究報告的批覆(川發改能源[2022]237號), Hydropower Group shall be responsible for the unified organization and implementation of the 2022 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 2022 Rural Power Grid Contracts. The implementation of the 2022 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 2022 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 2022 Rural Power Grid Contracts) are of the view that the 2022 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.

The Directors (including the independent non-executive Directors) are of the view that the Equipment Procurement Contract is on normal commercial terms or better and is fair and reasonable and in the interests of the Company and the 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 resolutions to approve the 2022 Rural Power Grid Contracts and the Equipment Procurement Contract voluntarily. Save and except for the aforesaid, none of the Directors has any material interest in the 2022 Rural Power Grid Contracts and the Equipment Procurement Contract and was required to abstain from voting on the relevant Board resolutions in relation to the 2022 Rural Power Grid Contracts and the Equipment Procurement Contract.

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 Implementation Units 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 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 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 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.

CONSTRUCTION SUPERVISION CONTRACT

As at the date of this announcement, Hydropower Group is one of the controlling shareholders of the Company. Accordingly, Hydropower Group is a connected person 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.

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. Zizhong Longyuan Electricity is a direct subsidiary of Hydropower Group and therefore an associate of Hydropower Group. Accordingly, Hydropower Group and Zizhong Longyuan Electricity 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.

EQUIPMENT PROCUREMENT CONTRACT

As at the date of this announcement, Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Materials Industry Group is a connected person of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Equipment Procurement Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since all applicable percentage ratios in respect of the transactions contemplated under the 2022 Rural Power Grid Contracts on an aggregated basis (i) exceed 5% but below 25%, the transactions contemplated thereunder constitute discloseable transactions of the Company which are subject to the reporting and announcement 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.

Since all applicable ratios in respect of the transactions contemplated under the Equipment Procurement Contract exceed 0.1% but below 5%, the transactions contemplated under the Equipment Procurement Contract are 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 EPC Contract for 10kV and Below Project, the EPC Contract for 35kV and Above Project and the Equipment Procurement Contract shall not be more than 10% of the total estimated contract price and the estimated maximum final settlement price for the Equipment and Materials Procurement Contract and the Construction Supervision Contract shall not be more than 5% of the estimated contract price. If the actual final settlement price of the 2022 Rural Power Grid Contracts and the Equipment Procurement Contract exceeds the estimated maximum final settlement price, the Company will make relevant announcement(s) in due course 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 on 18 June 2012 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 on 30 January 1996 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 on 29 December 1994 and a wholly-owned subsidiary of the Company and engaged in power generation and supply.

Junlian Electricity

Junlian Electricity a limited liability company established on 21 May 2012 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 on 30 July 2008 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 on 3 April 1998 and a wholly-owned subsidiary of the Company and engaged in power supply and production and sale of electrical equipment.

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 by the People's Government of Sichuan Province.

Sichuan Energy Construction

Sichuan Energy Construction is a limited liability company established in the PRC on 3 March 2006 and a direct subsidiary of Energy Investment Group. 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 on 13 May 2016, 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.

Showsolid International

Showsolid International is a limited liability company established in the PRC on 22 August 2001 and is owned as to 95% and 5% by Wang Bin (王斌) and Hu Jing (胡靜), respectively. The primary business of Showsolid International is construction supervision. To the best of the Directors' knowledge information and belief after making all reasonable enquiries, Showsolid International and its ultimate beneficial owners are third parties independent from the Company and its connected person(s).

Sichuan Energy Yibin Electricity Engineering

Sichuan Energy Yibin Electricity Engineering is a limited liability company established in the PRC on 5 November 1996 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.

Xingneng Hydropower

Xingneng Hydropower is a limited liability company established in the PRC on 6 January 2005 and is owned as to 60% and 40% by Sichuan Shengruifeng Engineering Construction Management Co., Ltd.* (四川晟瑞豐工程建設管理有限公司) (“**Sichuan Shengruifeng**”) and Sichuan Huaruize Enterprise Management Co., Ltd.* (四川華睿澤企業管理有限公司) (“**Sichuan Huaruize**”).

Sichuan Shengruifeng is owned as to 62% and 38% by Sichuan Shengzhichang Enterprise Management and Consulting Co., Ltd.* (四川晟智昌企業管理諮詢有限公司) and Sichuan Xiangsheng Xinrui Enterprise Management Centre (Limited Partnership)* (四川祥晟鑫瑞企業管理中心(有限合夥)), respectively, which are in turn ultimately owned by Wang Xiaoxiang (汪曉祥).

Sichuan Huaruize is owned as to 70% by Sichuan Huiyuanjia Construction Engineering Co., Ltd.* (四川滙元嘉建設工程有限公司), which is in turn ultimately owned by Wang Xiaoxiang (汪曉祥), and 30% by Wang Jiayu (汪家宇), respectively.

To the best of the Directors' knowledge information and belief after making all reasonable enquiries, Xingneng Hydropower and its ultimate beneficial owners are third parties independent from the Company and its connected person(s).

Zizhong Longyuan Electricity

Zizhong Longyuan Electricity is a limited liability company established in the PRC on 5 September 2005 and a subsidiary of Hydropower Group. Zizhong Longyuan Electricity is principally engaged in power generation and supply.

Other Implementation Units

Other Implementation Units comprise Dazhou Electricity Group Co., Ltd.* (達州電力集團有限公司), Sichuan Hydropower Group Dazhu Electricity 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 Electricity 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 Qu County Electricity 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 Wanyuan City Longyuan Electricity 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 Guangan Aaa Public Co., Ltd.* (四川廣安愛眾股份有限公司), Sichuan Yuechi Aizhong Electricity Co., Ltd.* (四川省岳池愛眾電力有限公司), Sichuan Hydropower Investment and Management Group Yongan Electricity Co., Ltd.* (四川省水電投資經營集團永安電力股份有限公司), Sichuan Hydropower Investment and Management Group Puge Electricity Co., Ltd.* (四川省水電投資經營集團普格電力有限公司)、Sichuan Hydropower Investment and Management Group Meigu Electricity Co., Ltd.* (四川省水電投資經營集團美姑電力有限公司), Sichuan Hydropower Group Jinyang Electricity Co., Ltd.* (四川省水電集團金陽電力有限公司), Sichuan Zhaojue Electricity Co., Ltd.* (四川昭覺電力有限責任公司), Sichuan Hydropower Investment and Management Group Dege Gesaer Electricity Co., Ltd.* (四川省水電投資經營集團德格格薩爾電力有限公司), Luzhou Yuyu Electricity Co., Ltd.* (瀘州玉宇電力有限責任公司), Zizhong Longyuan Electricity, Sichuan Pingwu Electricity (Group) Co., Ltd.* (四川省平武電力(集團)有限公司) and Sichuan Hydropower Investment and Management Group Qingchuan Electricity Co., Ltd.* (四川省水電投資經營集團青川電力有限公司), all of which are established in the PRC principally engaged in power generation and supply and are controlled or invested by Hydropower Group (“**Other Implementation Units**”).

GENERAL

The Company has established the Independent Board Committee to advise the Independent Shareholders in relation to the transactions contemplated under the 2022 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 the 2022 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 June 2023 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”	2022 Rural Power Grid Consolidation and Improvement Engineering 10kV and Below Project, which forms part of the Rural Power Grid Consolidation and Improvement Project
“35kV and Above Project”	2022 Rural Power Grid Consolidation and Improvement Engineering 35kV and Above Project, which forms part of the Rural Power Grid Consolidation and Improvement Project
“2022 Rural Power Grid Contracts”	the EPC Contract for 10kV and Below Project, the Equipment and Materials Procurement Contract, the Construction Supervision Contract and the EPC Contract for 35kV and Above Project
“associate”	has the meaning ascribed to it under the Listing Rules
“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 for 10kV and Below Project entered into among the Implementation Units, Hydropower Group and Showsolid International on 21 April 2023
“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 2022 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 on 21 February 2011 and one of the controlling shareholders of the Company
“EPC Contract for 10kV and Below Project”	the EPC contract for 10kV and Below Project entered into by, among others, the Implementation Units, Hydropower Group, Sichuan Energy Construction and Sichuan Energy Consolidated Energy on 21 April 2023
“EPC Contract for 35kV and Above Project”	the EPC contract for 35kV and Above Project entered into among Hydropower Group, Sichuan Energy Yibin Electricity Engineering, Xingneng Hydropower, Xuzhou Electricity and Zizhong Longyuan on 21 April 2023
“Equipment Procurement Contract”	the equipment procurement contract proposed to be entered into between Sichuan Energy Yibin Electricity Engineering and Materials Industry Group
“Equipment and Materials Procurement Contract”	the equipment and materials procurement contract for 10kV and Below Project entered into by, among others, the Implementation Units, Hydropower Group and Materials Industry Group on 21 April 2023
“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 on 30 January 1996 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 on 29 December 1994 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 on 17 December 2004 and one of the controlling shareholders of the Company
“Implementation Units”	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity

“Independent Board Committee”	an independent board committee of the Board (which comprises Mr. Kin Kwong Kwok Gary, Ms. He Zhen, Mr. Wan 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 2022 Rural Power Grid Contracts
“Independent Shareholder(s)”	Shareholders who are not interested in the 2022 Rural Power Grid Contracts and are not required under the Listing Rules to abstain from voting on the resolutions to approve the 2022 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 on 21 May 2012 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 on 16 April 2013, 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 on 30 July 2008 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
“Rural Power Grid Consolidation and Improvement Project”	2022 Rural Power Grid Consolidation and Improvement Engineering Project, which comprises the 10kV and Below Project, 35kV and Above Project and other main transformer expansion projects for electrical substations
“Share(s)”	the Domestic Share(s), the H Share(s) and the Unlisted Foreign Share(s)
“Shareholder(s)”	holder(s) of the Shares of the Company

“Showsolid International”	Showsolid International Engineering Consulting Group Co., Ltd.* (首盛國際工程諮詢集團有限公司), a limited liability company established in the PRC on 22 August 2001
“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 on 24 December 2008 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 on 13 May 2016, 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 on 3 March 2006, a direct subsidiary of Energy Investment Group and a connected person of the Company
“Sichuan Energy Yibin Electricity Engineering”	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 company established in the PRC with limited liability on 5 November 1996 and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unlisted Foreign Share(s)”	the ordinary shares issued by the Company that are not listed on any stock exchange, with a nominal value of RMB1.00 each, and held by China Power International Development Limited (a company incorporated in Hong Kong)
“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 on 3 April 1998 and a wholly-owned subsidiary of the Company
“Xingneng Hydropwer”	Sichuan Province Xingneng Hydropower Design Co., Ltd.* (四川省興能水利電力設計有限公司), a limited liability company established in the PRC on 6 January 2005
“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

“Zizhong Longyuan
Electricity”

Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd.* (四川省水電投資經營集團資中龍源電力有限公司), a limited liability company established in the PRC on 5 September 2005, a subsidiary of Hydropower Group and a connected person of the Company

“%”

per cent

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

Chengdu, Sichuan Province, the PRC
21 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, 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