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**China Power Clean Energy Development Company Limited**  
**中國電力清潔能源發展有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 0735)**

**CONNECTED TRANSACTION**

**PROPERTY MANAGEMENT SERVICES AGREEMENT**

**THE PROJECT MANAGEMENT SERVICES AGREEMENT**

On 16 March 2018, the Parties entered into the Agreement, pursuant to which the Contract Letting Party (being a subsidiary of SPIC) engaged the Contractor (being a wholly-owned subsidiary of the Company) to provide property management services for an office building at Building 1, Compound 29, Bei San Huan Zhong Lu, Xicheng District, Beijing and the residential apartments at Building 28, Guanlinyuan Community, Mafang Area, Haidian District for a term commencing 1 April 2018 and ending on 30 March 2019. The total consideration under the Agreement is RMB5,809,166.

**IMPLICATIONS UNDER THE LISTING RULES**

The Contractor is a wholly-owned subsidiary of the Company. The Contract Letting Party is a subsidiary of the SPIC, an indirect substantial shareholder of the Company. The Contract Letting Party is therefore an associate of a substantial shareholder of the Company and a connected person of the Company for the purpose of the Listing Rules. As such, the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) calculated with reference to the consideration under the Agreement is more than 0.1% but less than 5%, the Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Parties entered into the Agreement pursuant to which the Contractor has agreed to provide property management services for the Properties.

## **THE AGREEMENT**

### **Date**

The Agreement was entered into on 16 March 2018.

### **Parties**

- (i) the Contract Letting Party (as contract letting party); and
- (ii) the Contractor (as contractor).

### **Term**

From 1 April 2018 and ending on 31 March 2019 (inclusive of both dates). If the Contract Letting party is satisfied with the performance of the Contractor, upon agreement by both Parties, the term of the Agreement will be renewed for one year.

### **Scope of Work**

The Contractor shall provide the following services in respect of the Properties: security services, patrolling, monitoring system operation, management and maintenance of public facilities such as fire prevention facilities for the office building; floor attendance, meeting and event planning services for the office building; day-to-day management for the residential apartments in Guanlinyuan Community.

### **Consideration**

The Contract Letting Party shall pay the Contractor a total consideration of RMB5,809,166 for the contract period, which consists of RMB5,294,537 for the remuneration and benefits of the personnel deployed by the Contractor and RMB514,629 for the management services, operating expenses and statutory tax.

In order to select the contractor to provide property management services for the Properties, the Contract Letting Party had conducted an open tender. The total consideration represents the bidding price offered by the Contractor, being the successful bidder of the tender. The bidding price was determined by the Group with reference to the types of property services to be provided, the

requirement of the Contract Letting Party as set out in the tender documents, the number of personnel to be deployed, the costs involved and by reference to the prevailing market price of the same or comparable services in the market.

### **Payment terms**

The total consideration shall be paid in monthly instalments over the term of the Agreement. The Contract Letting Party shall pay the services fees of previous month to the Contractor within 14 days after receipt of the invoice from the Contractor.

### **REASONS FOR AND BENEFITS OF THE AGREEMENT**

The Contractor, a subsidiary of the Company, is engaged in property management business. The Agreement was entered into by the Contractor in the ordinary course of its business of property management. In view of the reputation of the Contract Letting Party, it is believed that providing property management services to the Contract Letting Party would be beneficial to the Group in expanding its property management business in Beijing, strengthening its relationship with the Contract Letting Party and enhancing the quality of its services. The Agreement will generate additional stable income for the Group.

The terms of the Agreement were determined on an arm's length basis and is no less favourable than those of the same type of property management service offered to an independent third party. The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable, on normal commercial terms or better 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.

Mr. Wang Fengxue, an executive Director of the Company, is deemed to have a material interest in the Agreement as he holds the position of Nuclear Power Director of SPIC. Mr. Zhao Xinyan, an executive Director of the Company, is deemed to have a material interest in the Agreement as he holds the positions of Capital Operation Director and General Manager of the Department of Capital Operation of the Contract Letting Party. Both Mr. Wang Fengxue and Mr. Zhao Xinyan have abstained from voting on the relevant Board resolutions in respect of the Agreement. Except for Mr. Wang Fengxue and Mr. Zhao Xinyan, none of the Directors has material interest in the transaction contemplated under the Agreement or is required to abstain from voting on the Board resolutions in relation to the Agreement and the transaction contemplated therein.

## **INFORMATION ON THE COMPANY, THE CONTRACTOR AND THE CONTRACT LETTING PARTY**

### **Information on the Company and the Contractor**

The Company, whose shares are listed on the Stock Exchange, has its head office in Hong Kong. The principal business activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the development, construction, ownership, operation and management of clean energy power plants in the PRC, and also engaged in investment holding in the clean energy power industry and property investments. The Contractor is a wholly-owned subsidiary of the Company and its principal business activities include property management, development and operation of real estate in the PRC.

### **Information on the Contract Letting Party**

The Contract Letting Party is a subsidiary of SPIC, an indirect substantial shareholder of the Company. The Contract Letting Party is a state-owned enterprise established in 2007 which is principally engaged in nuclear power business and is an owner of certain properties in the PRC.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Contractor is a wholly-owned subsidiary of the Company. The Contract Letting Party is a subsidiary of the SPIC, an indirect substantial shareholder of the Company. The Contractor is therefore an associate of a substantial shareholder of the Company and a connected person of the Company for the purpose of the Listing Rules. As such, the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (other than the profits ratio) calculated with reference to the consideration under the Agreement is more than 0.1% but less than 5%, the Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Agreement”	the agreement entered into between the Contract Letting Party and Contractor for the provision of property management services for the Properties dated 16 March 2018
“associate”	has the meaning given to it by the Listing Rules
“Board”	the board of Directors of the Company

“Company”	China Power Clean Energy Development Company Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Contract Letting Party”	State Nuclear Power Technology Corporation* (國家核電技術有限公司), a company incorporated in the PRC and a subsidiary of SPIC
“Contractor”	Shanghai China Power New Energy Property Development Limited* (上海中電新能源置業發展有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Director(s)”	directors(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Contract Letting Party and the Contractor
“PRC” or “China”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Properties”	an office building at Building 1, Compound 29, Bei San Huan Zhong Lu, Xicheng District, Beijing and the residential apartments at Building 28, Guanlinyuan Community, Mafang Area, Haidian District
“RMB”	Renminbi, the lawful currency of the PRC
“SPIC”	State Power Investment Corporation Limited* (國家電力投資集團有限公司), a substantial shareholder of the Company and the parent company of the Contract Letting Party

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

\* *English or Chinese translation, as the case may be, is for identification only*

By order of the Board

**China Power Clean Energy Development Company Limited**

**Wang Binghua**

*Chairman*

Hong Kong, 16 March 2018

*As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr. Wang Fengxue, Mr. Zhao Xinyan, Mr. He Hongxin and Mr. Qi Tengyun; three non-executive directors, namely Mr. Wang Binghua, Mr. Bi Yaxiong and Mr. Zhou Jiong; and four independent non-executive directors, namely Mr. Chu Kar Wing, Dr. Li Fang, Mr. Wong Kwok Tai, and Ms. Ng Yi Kum.*