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China Power International Development Limited

中國電力國際發展有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 2380)

CONTINUING CONNECTED TRANSACTION

The Board announces that the Company entered into the Supplemental Management Agreement IV on 30 April 2008 with CPI Holding to amend certain terms in the Management Agreement, including, inter alia, making changes to the list of managed power plants and corresponding adjustments to the service fee.

CPI Group is the ultimate controlling shareholder of the Company which is interested in approximately 55.85% of the issued share capital of the Company and CPI Holding is a wholly owned subsidiary of CPI Group. As such, CPI Holding is a connected person of the Company as defined in the Listing Rules. Accordingly, the Supplemental Management Agreement IV constitutes a continuing connected transaction of the Company under the Listing Rules.

The maximum annual service fee (including any profit margin component) payable by CPI Holding to the Company as adjusted under the Supplemental Management Agreement IV for the two years ending 31 December 2008 and 2009 is estimated to be RMB7,953,800 (equivalent to approximately HK\$8,860,500), RMB6,753,200 (equivalent to approximately HK\$7,523,100) and for the period from 1 January to 30 June 2010 is estimated to be RMB3,376,600 (equivalent to approximately HK\$3,761,500) respectively, all of which fall below 2.5% of the applicable percentage ratios (other than the profits ratio) as defined in Rule 14A.10 of the Listing Rules. Accordingly, the Supplemental Management Agreement IV falls within Rule 14A.34 of the Listing Rules and is subject to the reporting and announcement requirements set out in Rule 14A.45 but exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the Supplemental Management Agreement IV will be included in the next published annual report and accounts of the Company pursuant to Rule 14A.45 of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Supplemental Management Agreement IV is entered into in the ordinary and usual course of the Company's business, on normal commercial terms, fair and reasonable and in the best interests of the Company and its shareholders as a whole.

1. INTRODUCTION

References are made to the prospectus (the "Prospectus") and the announcement of the Company dated 4 October 2004, 1 September 2006 and 14 June 2007, respectively (the "Announcements").

As disclosed in the Prospectus and the Announcements, the Company entered into the Management Agreement with CPI Holding for a term of 3 years commencing from 1 July 2007 to 30 June 2010 pursuant to which the Company would manage five power plants for CPI Holding, namely Qinghe Company, Guixi Electricity Company, Fujian Electricity Company, Wuhu Shaoda Power Plant and CPI Wuhu Power Plant respectively in return for a service fee.

On 1 January 2008, the Company entered into the Supplemental Management Agreement III whereby the parties agreed to reduce the installed capacity by 200MW due to the closure of some generation units of the Qinghe Company. According to the formula set out in section 2 of this announcement, the services fee payable is reduced to RMB9,160,200 (excluding the profit/loss margin component) (equivalent to approximately HK\$10,204,500).

2. THE SUPPLEMENTAL MANAGEMENT AGREEMENT IV

Date: 30 April 2008

Parties: the Company and CPI Holding

Term: Pursuant to the Supplemental Management Agreement IV, the parties agreed to amend the Management Agreement by deleting Guixi Electricity Company and Fujian Electricity Company from the list of managed power plants and adjust fee payable to the Company in accordance with the formula provided therein due to an adjustment to the total installed capacity of the managed power plants.

Basis of and reason for the adjustment of service fee:

Under the Management Agreement, the service fee payable to the Company consists of the following three components:

1. management costs in the sum of RMB7,965,400 (covering the set-up, operational and other recurrent items to be incurred by the Company in managing the power plants) (the “Management Costs”);
2. a premium to cover estimated risks set at 15% of the Management Costs; and
3. a profit/loss margin which is an incentive/penalty calculated by reference to the confirmed results of the power plants under management but which shall not exceed 15% of the Management Costs.

The first two components of the service fee are payable monthly in arrears. The profit/loss margin component is payable based on the annual evaluation of performance of the management but no later than 90 days after the end of each year.

Under the Supplemental Management Agreement IV, the calculation of the service fee will adopt the same formula in the Management Agreement (with the following adjustment).

The service fee (excluding the profit/loss margin component) payable by CPI Holding may be adjusted according to changes in the total installed capacity of the power plants under the Management Agreement. The formula for adjustment is as follows:

$$\text{New monthly service fee} = \text{Service fee for the previous month} \times \frac{\text{Total installed capacity of the managed power plants after adjustment}}{\text{Total installed capacity of the managed power plants before adjustment}}$$

The service fee (excluding the profit/loss margin component) before the adjustment was RMB9,160,200 per annum (equivalent to HK\$10,204,500 per annum) or on average RMB763,350 per month (equivalent to HK\$850,400 per month).

The total installed capacity of the managed power plants as at the date of the Supplemental Management Agreement III was 2,300MW. However, after the removal of Guixi Electricity Company and Fujian Electricity Company (with installed capacity of 800MW) from the list of managed power plants, the total installed capacity of the managed power plants under the Supplemental Management Agreement IV would be 1,500MW (i.e. the total installed capacities of the three managed power plants: Qinghe Company (1,000MW), Wuhu Shaoda Power Plant (250MW) and CPI Wuhu Power Plant (250MW)).

Under the Supplemental Management Agreement IV, the service fee (excluding the profit/loss margin component) is adjusted to RMB5,974,000 per annum (equivalent to HK\$6,655,000 per annum) or RMB 497,833 per month (equivalent to HK\$554,600 per month) and the list of managed power plants as set out in the Management Agreement are amended in accordance with the changes set out above.

The service fee is adjusted in accordance with the formula contained in the Supplemental Management Agreement IV and the Directors, including the independent non-executive Directors, are of the view that such fee and the other terms of the Supplemental Management Agreement IV are no less favourable to the Group than the terms available from independent third parties.

Reasons for and benefits of entering into the Supplemental Management Agreement IV

Following the restructuring of its businesses, CPI Holding has disposed some of its power generation assets and businesses to others. In order to reflect such changes and the removal of Guixi Electricity Company and Fujian Electricity Company from the list of managed plants, the Company entered into the Supplemental Management Agreement IV in the ordinary course of its business.

3. ESTIMATED ANNUAL CAPS

The maximum annual caps for the services to be rendered under the Supplemental Management Agreement IV for the financial years ending 31 December 2008 and 2009 are estimated to be RMB7,953,800 (equivalent to approximately HK\$8,860,500) and RMB6,753,200 (equivalent to approximately HK\$7,523,100) respectively. With respect to the period from 1 January to 30 June 2010, the estimated maximum amount is RMB3,376,600 (equivalent to approximately HK\$3,761,500).

For the purpose of Rule 14A.35(2) of the Listing Rule, the above maximum annual caps are determined with reference to historical amount of RMB11,322,000 (equivalent to approximately HK\$12,612,700) paid by CPI Holding pursuant to the Management Agreement for the financial year ended 31 December 2007 and the previous annual caps of RMB11,255,400 (equivalent to approximately HK\$12,538,500) for each of the financial year ending 31 December 2008 and 2009 and RMB5,627,700 (equivalent to approximately HK\$6,269,300) for the period from 1 January to 30 June 2010 as disclosed in the Announcements. The service fee (excluding the profit/loss margin component) accrued to the Company under the Management Agreement for the three-month period ended 31 March 2008 (being the latest practical date) did not exceed the annual caps mentioned in the Announcements.

The Directors (including independent non-executive Directors) of the Company are of the view that such annual caps and the maximum value for the period from 1 January to 30 June 2010 are fair and reasonable.

4. LISTING RULES REQUIREMENTS

CPI Group is the ultimate controlling shareholder of the Company which is interested in approximately 55.85% of the issued share capital of the Company and CPI Holding is a wholly owned subsidiary of CPI Group. As such, CPI Holding is a connected person of the Company as defined in the Listing Rules. Accordingly, the entering into the Supplemental Management Agreement IV constitutes a continuing connected transaction of the Company under the Listing Rules.

The maximum annual service fee (including any profit margin component) payable by CPI Holding to the Company as adjusted under the Supplemental Management Agreement IV for the two years ending 31 December 2008 and 2009 is estimated to be RMB7,953,800 (equivalent to approximately HK\$8,860,500) and RMB6,753,200 (equivalent to approximately HK\$7,523,100) and for the period from 1 January to 30 June 2010 is estimated to be RMB3,376,600 (equivalent to approximately HK\$3,761,500) respectively, all of which fall below 2.5% of the applicable percentage ratios (other than the profits ratio) as defined in Rule 14A.10 of the Listing Rules. Accordingly, the entering into the Supplemental Management Agreement IV falls within Rule 14A.34 of the Listing Rules and is subject to the reporting and announcement requirements set out in Rule 14A.45 but exempt from the independent shareholders' approval requirement under the Listing Rules. Details of the Supplemental Management Agreement IV will be included in the next published annual report and accounts of the Company pursuant to Rule 14A.45 of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Supplemental Management Agreement IV is entered into in the ordinary and usual course of the Company's business, on normal commercial terms, fair and reasonable and in the best interests of the Company and its shareholders as a whole.

5. PRINCIPAL BUSINESS OF THE GROUP, CPI GROUP AND CPI HOLDING

The Company is the listed flagship company outside the PRC of CPI Group. The CPI Group is one of the five national power generation groups in China, and operates coal-fired, hydroelectric and nuclear power plants in various locations in the PRC. CPI Holding is wholly-owned by CPI Group and owns and operates coal-fired and hydroelectric power plants in the PRC.

The principal business of the Group is to develop, construct, own, operate and manage large power plants in the PRC. The Company owns and operates five high-capacity coal-fired power plants and it has an attributable installed capacity of 7,883MW. The Company also manages two other power plants, which are situated in Liaoning and Anhui on behalf of its controlling shareholders.

DEFINITIONS

Unless otherwise stated, the following words and phrases have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	China Power International Development Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“CPI Group”	中國電力投資集團公司 (China Power Investment Corporation*), a wholly State-owned enterprise established by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“CPI Holding”	中國電力國際有限公司 (China Power International Holding Limited), a company incorporated in Hong Kong and a wholly-owned subsidiary of CPI Group
“CPI Wuhu Power Plant”	中電國際(蕪湖)發電有限責任公司 (CPI Wuhu Power Generating Company Limited*)
“Director(s)”	the director(s) of the Company
“Fujian Electricity Company”	中電(福建)電力開發有限公司 (China Power (Fujian) Electricity Development Company Limited*)
“Guixi Electricity Company”	中電(江西貴溪)發電有限公司 (China Power (Jiangxi Guixi) Electricity Generation Company Limited*)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MW”	megawatt, that is, one million watts
“Management Agreement”	an agreement entered into by the Company, CPI Group and CPI Holding on 27 August 2004 pursuant to which the Company manages various power plants for CPI Group and CPI Holding as amended by the Supplemental Management Agreement I, II and III.
“PRC” or “China”	the People’s Republic of China. Geographical references in this announcement to the PRC excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC and for the purpose of this announcement, Renminbi is translated into Hong Kong dollars at a fixed rate of RMB1 = HK\$1.114
“Qinghe Company”	遼寧清河發電有限責任公司 (Liaoning Qinghe Electric Power Generating Company Limited*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Management Agreement I”	a supplemental agreement to the Management Agreement entered into between the Company, CPI Group and CPI Holding on 1 September 2006
“Supplemental Management Agreement II”	a supplemental agreement to the Management Agreement entered into between the Company and CPI Holding on 14 June 2007
“Supplemental Management Agreement III”	a supplemental agreement to the Management Agreement entered into between the Company and CPI Holding on 1 January 2008
“Supplemental Management Agreement IV”	a supplemental agreement to the Management Agreement entered into between the Company and CPI Holding on 30 April 2008, the details of which are set out in section 2 of this announcement

“Wuhu Shaoda Power
Plant”

蕪湖兆達電力開發有限公司 (Wuhu Shaoda Power
Development Company Limited*)

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

By Order of the Board
Li Xiaolin
Chairman and Chief Executive Officer

Hong Kong, 30 April 2008

As at the date of this announcement, the directors of the Company are: executive directors Li Xiaolin and Liu Guangchi, non-executive directors Gao Guangfu and Guan Qihong and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec.