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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)**

### **DISCLOSURE UNDER RULE 13.09(1) OF THE LISTING RULES EXTENSION OF COMPLETION DATE**

This announcement is made pursuant to Rules 13.09(1) and 14.36 of the Listing Rules.

The Board wishes to announce that the Company, China Power Qinghe Company and Qinghe Company have agreed to amend certain terms of the Asset Acquisition Agreement and to extend the completion date of the acquisition of power plant under construction situated in Qinghe District, Teiling City, Liaoning Province, PRC to 31 July 2010 or such other date as the parties may agree in writing.

Reference is made to the announcement and circular of the Company dated 16 November 2007 and 7 December 2007 respectively in relation to the acquisition of power plant under construction situated in Qinghe District, Teiling City, Liaoning Province, PRC. Capitalised terms used herein shall have the same meanings as defined in the circular unless the context otherwise requires.

This announcement is made pursuant to Rules 13.09(1) and 14.36 of the Listing Rules.

According to the Asset Acquisition Agreement, the parties agreed that the long stop date is 31 December 2008 or such other date as the parties may agree in writing. In light of the worsening world economy caused by the financial crisis in the United States, the Company and Qinghe Company have re-considered the transactions contemplated by the Asset Acquisition Agreement. The Directors are of the view that it would be prudent and in the interests of the Company to postpone the completion of the Asset Acquisition Agreement. After arm's length negotiations, on 31 December

2008, the Company, China Power Qinghe Company and Qinghe Company have entered into a supplemental agreement to amend certain terms of the Asset Acquisition Agreement (the “Supplemental Agreement”) and the principal terms of the Supplemental Agreement are as follows:

A) Long stop date and the completion date:

The new long stop date for the Asset Acquisition Agreement is 31 July 2010 or such other date to be agreed between the parties in writing. The parties also agree that the completion date of the Acquisition is to be fixed by the parties (the “Completion Date”).

B) The Audited Value to be determined on a completion date to be fixed by the parties:

Pursuant to the original Asset Acquisition Agreement, the total consideration for the Acquisition is RMB944,628,262.68 which is subject to Adjustments. To determine the amount of Adjustments, the parties will appoint the auditors of Qinghe Company to perform an audit on the completion accounts so as to determine the total consideration payable. In the completion accounts, the auditors will determine the value of the Assets and debts and liabilities in relation to the Assets as at the Incorporation Date of China Power Qinghe Company (the “Audited Value”). The parties will then compare the Audited Value with the appraised value of the Assets and debts and liabilities in relation to the Assets as at 30 June 2007. If there is any difference between the two, the parties agree to adjust the total consideration payable by reference to the Audited Value.

In the Supplemental Agreement, the parties agree that instead of the Incorporation Date, the auditors will determine Audited Value on the Completion Date.

C) Amendment Agreements:

In accordance with the original Asset Acquisition Agreement, all debts and liabilities in relation to the Assets incurred on 30 June 2007 but are still outstanding on the Incorporation Date (including any refinancing of bank loans during the period from 30 June 2007 to the Incorporation Date) shall be assumed by China Power Qinghe Company by entering into the Amendment Agreements.

Under the Supplemental Agreement, the parties agree that all debts and liabilities in relation to the Assets incurred on 30 June 2007 but are still outstanding on the Completion Date (instead of the Incorporation Date) shall be assumed by China Power Qinghe Company. Qinghe Company also agrees that if the Company or China Power Qinghe Company has already incurred any debts or liabilities in connection with the Assets prior to the Completion Date, Qinghe Company will compensate the Company or China Power Qinghe Company for any loss (including any legal costs) suffered. To reflect this change, the Company will enter into supplemental agreements to the Amendment Agreements, details of which are set out in the following section.

D) Changes to the Amendment Agreements:

In light of the amendments to Asset Acquisition Agreement, the terms of the Amendment Agreements will be changed correspondingly. In essence, China Power Qinghe Company will assume all debts and liabilities in relation to the Asset from the Completion Date instead of the Incorporation Date under the previous arrangements. The parties will enter into supplemental agreements to amend the Amendment Agreements. The amended principal terms of the Amendment Agreements are as follows (“Amended Principal Terms for Amendment Agreement”):

- (i) Qinghe Company agrees that during the period commencing from the date of signing of the original agreement until the Completion Date, all rights and obligations of Qinghe Company under the original agreement shall be vested in and assumed by Qinghe Company. Any liabilities (if any) incurred or arising from any breach of the original agreement by Qinghe Company during this period shall be assumed by Qinghe Company.
- (ii) However, after the Completion Date and subject to paragraph (i) above, if the original agreement has not been performed completely, all rights and obligations of Qinghe Company under the original agreement shall be transferred to and be assumed by China Power Qinghe Company.

E) Other Connected Transactions:

(a) Construction Project Management Agreement:

As a result of the above changes, the rights and liabilities under the Construction Project Management Agreement will be transferred to China Power Qinghe Company in accordance with the Amended Principal Terms for Amendment Agreement.

(b) Equipment Agreement:

As a result of the above changes, the rights and liabilities under the Equipment Agreement will be transferred to China Power Qinghe Company in accordance with the Amended Principal Terms for Amendment Agreement.

F) Continuing connected transaction exempt from Independent Shareholders' Approval requirements:

The Land Lease Agreement will also be amended by changing the commencement date. In the original Land Lease Agreement, the term of the lease commences from "the first day of the month immediately following the month in which China Power Qinghe Company is incorporated". The parties will enter into a supplemental agreement to change the commencement date to the "Completion Date".

Save as disclosed herein, all the material terms and conditions of the Asset Acquisition Agreement and Amendment Agreements shall remain in full force and effect.

The Directors believe that the extension of the date of completion of the Acquisition will not have any material adverse effect on the operation and the financial position of the Group.

Further announcement will be made to update shareholders and investors of the Company concerning the completion of the proposed transaction as and when appropriate.

By order of the Board  
**China Power International Development Limited**  
**Li Xiaolin**  
*Chairman*

Hong Kong, 31 December 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.*