



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)

PROFIT WARNING

This announcement is made in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

China Power International Development Limited (the “Company”) announces that the National Energy Administration of the PRC Government has approved Shanxi Shentou Power Generating Company Limited* (山西神頭發電有限責任公司) (“Shentou I Power Plant”), a subsidiary of the Company, to carry out the preparatory works for construction of two 600MW supercritical air-cooling coal-fired generation units (the “New Generation Units”). The New Generation Units will replace four existing smaller generation units of Shentou I Power Plant in accordance with the “Replacement of Small Units with Larger” policy. According to the policy, Shentou I Power Plant has already closed down its generation units no. 7 and 8 with a total capacity of 400MW on 31 December 2008. Shentou I Power Plant is also required to close down another two generation units (i.e. generation units no. 5 and 6) with a total capacity of 400MW before obtaining the formal approval of the construction of the New Generation Units. As at 31 December 2008, the total net value of the generation units no. 5, 6, 7 and 8 (the “Smaller Generation Units”) is approximately RMB600 million (this figure is to be confirmed by the Company’s valuer). To compensate Shentou I Power Plant, the PRC Government will continue to allot power production targets to Shentou I Power Plant for a period of three years after the closure according to the government policy. These production targets are transferable and can be used by other members of the Company or sold to other power plants. With respect to the production schedule of the New Generation Units, the Company will use its best endeavours to obtain the formal approval so that the New Generation Units can commence production as soon as possible.

The Company is assessing the amount of impairment losses caused by the closure of Smaller Generation Units in accordance with the Hong Kong accounting standards. It is expected that the Company will write down the value for the Smaller Generation Units and suffer an impairment loss for the financial year 2008.

The Company also announces that after preliminary review by the Company's management based on the management accounts of the Group, the board of directors (the "Board") of the Company wishes to inform the shareholders and investors that the Group is expected to record a loss for the financial year 2008. Based on the information currently available, the expected loss of the Group is mainly due to the impairment loss as mentioned above and surging coal price since the beginning of the financial year 2008. Although the PRC government has, during the second half of the last financial year, adjusted the power tariffs upward, such increment cannot offset the adverse effects of the surging coal price. Details of the Company's operating results will be disclosed in the 2008 Annual Report.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 January 2009

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.

**English translation is for identification purpose only.*