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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)

Discloseable Transaction
Amendment Agreement - Capital Increase

Reference is made to the announcement of the Company dated 30 October 2009.

The Board is pleased to announce that the Company, has entered into the Amendment Agreement with Sichuan Provincial Investment Group on 11 June 2010, pursuant to which the total investment amount and the registered capital of Fuxi Power Plant, their joint venture company, will be increased.

As at the date of this announcement, the Company holds 51% equity interest in Fuxi Power Plant and Sichuan Provincial Investment Group holds the remaining 49%. The initial registered capital of Fuxi Power Plant was US\$29.8 million (approximately HK\$232.44 million), of which US\$15.2 million (approximately HK\$118.54 million) was contributed by the Company and the remaining US\$14.6 million (approximately HK\$113.89 million) was contributed by Sichuan Provincial Investment Group. Under the terms of the Amendment Agreement, the Company and Sichuan Provincial Investment Group agree to further contribute RMB389.03 million (approximately HK\$447.38 million) and RMB373.77 million (approximately HK\$429.84 million) respectively to Fuxi Power Plant, therefore increasing the registered capital of Fuxi Power Plant from US\$29.8 million (approximately HK\$232.44 million) to RMB968 million (approximately HK\$1.11 billion). As the contribution to the increase in the registered capital of Fuxi Power Plant will be made pro rata between the Company and Sichuan Provincial Investment Group, their ratio of equity interest in Fuxi Power Plant remains unchanged.

As Sichuan Provincial Investment Group holds 49% in Fuxi Power Plant, a subsidiary of the Company, Sichuan Provincial Investment Group is a connected person under the Listing Rules, only by virtue of its shareholding in Fuxi Power Plant and is a connected person only at the level of a subsidiary of the Company. Save for the foregoing, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Sichuan Provincial Investment Group and its ultimate beneficial owner are not the connected persons of the Group by virtue of any other criteria under Rule 14A.11 of the Listing Rules.

As there is no connected person(s) of the Company (other than at the level of Fuxi Power Plant) which is (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of Fuxi Power Plant, Fuxi Power Plant is not a connected person of the Company pursuant to Rule 14A.11(5). As such, the additional capital contribution to Fuxi Power Plant by the Company does not constitute a connected transaction of the Company.

Since Sichuan Provincial Investment Group, as a connected person of the Company by virtue of its shareholding in Fuxi Power Plant, will receive a pro rata entitlement of equity interest in Fuxi Power Plant pursuant to the terms of the Amendment Agreement, the contribution to the Fuxi Power Plant by Sichuan Provincial Investment Group constitutes a connected transaction exempted from all the reporting, announcement and independent shareholders' approval requirements under Rule 14A.31(3)(a) of the Listing Rules.

Notwithstanding the foregoing, in view of the applicable percentage ratios, the contribution by the Company to Fuxi Power Plant constitutes a discloseable transaction as defined under Rule 14.06(2) of the Listing Rules which requires the publication of an announcement.

Reference is made to the announcement of the Company dated 30 October 2009.

1. BACKGROUND

Fuxi Power Plant was set up as a joint venture company of the Company and Sichuan Provincial Investment Group pursuant to the terms of the joint venture agreement dated 15 January 2008. According to the joint venture agreement, the Company holds 51% of the equity interest in Fuxi Power Plant and Sichuan Provincial Investment Group holds the remaining 49%. The initial registered capital of Fuxi Power Plant was US\$29.8 million (approximately HK\$232.44 million), of which US\$15.2 million (approximately HK\$118.54 million) was contributed by the Company and the remaining US\$14.60 million (approximately HK\$113.89 million) was contributed by Sichuan Provincial Investment Group. The total investment amount of Fuxi Power Plant was US\$29.8 million (approximately HK\$232.44 million). The other principal terms of the joint venture agreement are set out in the following:

1) Purpose of the joint venture company

Pursuant to the terms and conditions of the joint venture agreement, the Company and Sichuan Provincial Investment Group agreed to set up Fuxi Power Plant as a joint venture company in the PRC to undertake the operations and development of coal fired power plants and sales of electricity power. The parties intend that Fuxi Power Plant will be used as a vehicle to develop the Fuxi Power Plant project which is a 2×600MW coal-fired mine-mouth power plant to be built in Gao County, Yibin City, Sichuan Province, PRC.

2) Term of the joint venture

Fuxi Power Plant joint venture has a term of 30 years from the date of its incorporation.

3) Constitution of the board

The board comprises seven directors, four of whom are appointed by the Company and the other three are appointed by Sichuan Provincial Investment Group. The chairman of the board of directors shall be appointed by the Company and shall not have any casting vote.

4) Pre-emption rights

The joint venture agreement contains pre-emption rights exercisable by other partner if any party to the joint venture agreement wishes to dispose of its shares in Fuxi Power Plant to third party other than its holding company or wholly-owned subsidiary.

5) Consequences for failure to contribute capital

In the event that any party fails to fully pay up its contribution in accordance with the joint venture agreement, the proportion of the equity interest in Fuxi Power Plant of the defaulting party and the non-defaulting party shall be adjusted in accordance to the actual contributions made by both parties to Fuxi Power Plant. The defaulting party shall be liable to the non-defaulting party for its breach and compensate Fuxi Power Plant for any losses suffered.

2. THE AMENDMENT AGREEMENT

Parties: the Company and Sichuan Provincial Investment Group.

Date: 11 June 2010

Principal terms of the Amendment Agreement:

The parties agree to amend the following terms of the joint venture agreement and all other terms and conditions shall remain effective:

1) Total investment amount

The parties agree to increase the total investment amount for Fuxi Power Plant from the original US\$29.8 million (approximately HK\$232.44 million) to RMB4.837 billion (approximately HK\$5.56 billion).

2) Registered capital

Under the terms of the Amendment Agreement, the registered capital of Fuxi Power Plant will be increased from US\$29.8 million (approximately HK\$232.44 million) to RMB968 million (approximately HK\$1.11 billion). Since the initial registered capital (i.e. US\$29.8 million) has already been contributed by the parties, the Company and Sichuan Provincial Investment Group agree to further contribute RMB389.03 million (approximately HK\$447.38 million) and RMB373.77 million (approximately HK\$429.84 million) respectively to Fuxi Power Plant. As the contribution to the increase in the registered capital of Fuxi Power Plant will be made pro rata between the Company and Sichuan Provincial Investment Group, their ratio of equity interest in Fuxi Power Plant remains unchanged.

The shareholding structure of and the amount of capital contributions to be made by the Company and Sichuan Provincial Investment Group to Fuxi Power Plant prior to and after the signing of the Amendment Agreement are set out below:

Shareholders	Capital Contribution prior to the joint venture agreement dated 15 January 2008	Equity interest prior to the Amendment Agreement	Additional contribution pursuant to the Amendment Agreement	Capital Contribution after the signing of the Amendment Agreement	Equity interest after the Amendment Agreement
The Company	US\$15.2 million (approximately HK\$118.54 million)	51%	RMB389.03 million (approximately HK\$447.38 million)	RMB493.68 million (approximately HK\$567.73 million)	51%
Sichuan Provincial Investment Group	US\$14.6 million (approximately HK\$113.89 million)	49%	RMB373.77 million (approximately HK\$429.84 million)	RMB474.32 million (approximately HK\$545.47 million)	49%
TOTAL	US\$29.8 million (approximately HK\$232.44 million)	100%	RMB762.80 million (approximately HK\$877.22 million)	RMB968 million (approximately HK\$1.11 billion)	100%

3) Capital Increase injection schedule

After signing the Amendment Agreement, each party agrees to contribute its share of the Capital Increase in accordance with the ratio of equity interest in Fuxi Power Plant. The first installment, being 20% of the Capital Increase, is payable after the relevant government approval is obtained. The balance of the Capital Increase shall be injected by the parties within two years in stages according to the project funding requirements as determined by the board of directors of Fuxi Power Plant.

3. FINANCIAL EFFECTS OF THE FURTHER CONTRIBUTION OF CAPITAL OF FUXI POWER PLANT

The further contribution to the increase in the registered capital of Fuxi Power Plant to be made by the Company shall be satisfied by bank borrowings or internal resources of the Group.

The funding requirement for contributing to the Capital Increase by the Company in accordance with the Amendment Agreement is not expected to have any material impact on the Company.

4. REASONS FOR AND BENEFITS OF THE FURTHER CONTRIBUTION OF CAPITAL OF FUXI POWER PLANT

The terms of the Amendment Agreement have been arrived at after arm's length negotiations between the parties. The Directors believe that the increase in the registered capital of Fuxi Power Plant will provide capital funds to Fuxi Power Plant and enable Fuxi Power Plant to raise loan funding for the construction of Fuxi power plant.

The Directors also believe that the further contribution to the capital by the Company to Fuxi Power Plant pursuant to the terms of the Amendment Agreement is fair and reasonable and in the best interests of the Group and its shareholders as a whole.

5. FINANCIAL INFORMATION OF FUXI POWER PLANT

Set out below is a summary of the financial results of Fuxi Power Plant based on management accounts for the two years ended 31 December 2009 which have been prepared in accordance with Hong Kong General Accepted Accounting Principles:

	For the year ended 31 December,	
	2008	2009
	RMB'000	RMB'000
Revenue	0	0
Loss before taxation	8,783	8,007
Loss for the year	<u>8,783</u>	<u>8,007</u>
Total assets	<u>62,186</u>	<u>1,136,579</u>

6. LISTING RULES IMPLICATIONS

As Sichuan Provincial Investment Group holds 49% in Fuxi Power Plant, a subsidiary of the Company, Sichuan Provincial Investment Group is a connected person under the Listing Rules, only by virtue of its shareholding in Fuxi Power Plant and is a connected person only at the level of a subsidiary of the Company. Save for the foregoing, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Sichuan Provincial Investment Group and its ultimate beneficial owner are not the connected persons of the Group by virtue of any other criteria under Rule 14A.11 of the Listing Rules.

As there is no connected person(s) of the Company (other than at the level of Fuxi Power Plant) which is (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of Fuxi Power Plant, Fuxi Power Plant is not a connected person of the Company pursuant to Rule 14A.11(5). As such, the contribution to the Capital Increase by the Company to Fuxi Power Plant in accordance with the Amendment Agreement does not constitute a connected transaction of the Company.

Since Sichuan Provincial Investment Group, a connected person of the Company by virtue of its shareholding in Fuxi Power Plant, will receive a pro rata entitlement of equity interest in Fuxi Power Plant pursuant to the terms of the Amendment Agreement, the Capital Increase to be contributed by Sichuan Provincial Investment Group constitutes a connected transaction exempted from all the reporting, announcement and independent shareholders' approval requirements under Rule 14A.31(3)(a) of the Listing Rules.

Notwithstanding the foregoing, in view of the applicable percentage ratios, the Capital Increase to be contributed by the Company to Fuxi Power Plant constitutes a discloseable transaction as defined under Rule 14.06(2) of the Listing Rules which requires the publication of an announcement.

7. FURTHER INFORMATION ON THE PARTIES

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 high-capacity coal-fired power plants and hydro-power plants. The Company also manages two other power plants, which are situated in Liaoning and Anhui on behalf of its controlling shareholders.

Sichuan Provincial Investment Group is incorporated in the PRC and is principally engaged in operation and management of energy (including energy-saving), transportation, communication, raw material, mechanical and electrical, light textile, technology, agriculture, forestry and other non-industrial fixed asset investment; state-owned assets derived from corporate investments authorized by provincial government; provision of consultation services for domestic and overseas investors.

DEFINITIONS

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

“Amendment Agreement”	the amendment agreement entered into by the Company and Sichuan Provincial Investment Group on 11 June 2010 for the purpose of amending the joint venture contract and articles of association of Fuxi Power Plant dated 15 January 2008
“Board”	the board of Directors of the Company
“Capital Increase”	The increase in the registered capital of Fuxi Power Plant from US\$29.8 million to RMB968 million as contemplated under the Amendment Agreement
“Company”	China Power International Development Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“CPDL”	China Power International Development Limited, a wholly-owned subsidiary of CPI Holding
“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 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
“Director(s)”	director(s) of the Company
“Fuxi Power Plant”	四川中電福溪電力開發有限公司(Sichuan CPI Fuxi Power Company Limited*), a non-wholly owned subsidiary of the Company
“Group”	the Company, its subsidiaries and its associated companies from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China. Geographical references in this announcement to the PRC excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of China and for the purpose of this announcement, Renminbi is translated into Hong Kong dollars at a fixed rate of RMB1 = HK\$1.15
“Sichuan Provincial Investment Group”	四川省投資集團有限責任公司(Sichuan Provincial Investment Group Company Limited*)
“State Council”	the State Council of the PRC* (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America and for the purpose of this announcement, United States dollars is translated into Hong Kong dollars at a fixed rate of US\$1 = HK\$7.8

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

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

Hong Kong, 11 June 2010

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.