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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 FORMATION OF JOINT VENTURES

The Board wishes to announce that the Company has entered into:-

1. Joint Venture Contract 1 with Yong Chang Mei Dian and Provincial Investment Co. on 27 December 2010, under which all parties agreed to establish Digua Coal Industry, a Sino-foreign equity joint venture company, to invest, construct and operate the No.1 Digua project. Digua Coal Industry is to be owned as to 63% by Yong Chang Mei Dian, 35% by the Company and 2% by Provincial Investment Co.; and
2. Joint Venture Contract 2 with Yong Chang Mei Dian and Provincial Investment Co. on 27 December 2010, under which all parties agreed to establish Pu'an Power, a Sino-foreign equity joint venture company, to invest, construct and operate the Power Plant project, after obtaining the relevant Guizhou Provincial government department approval for the commencement of the preparation work of the project. Pu'an Power is to be owned as to 76% by the Company, 15% by Yong Chang Mei Dian and 9% by Provincial Investment Co.

The capital contribution to be made by the Company in relation to the establishment of Digua Coal Industry and Pu'an Power are RMB 220.5 million (approximately HK\$255.78 million) and RMB 152 million (approximately HK\$176.32 million), respectively. As the Joint Ventures are entered into by the Company with the same parties, the total amount of capital contribution to be made by the Company pursuant to the Joint Ventures are aggregated in accordance with Rule 14.23(1) of the Listing Rules. The aggregated capital contribution is RMB372.50 million (approximately HK\$432.1 million).

As the applicable percentage ratios for the transactions contemplated under the Joint Ventures exceed 5% but are less than 25%, the transactions contemplated under the Joint Ventures constitute a discloseable transaction of the Company under Chapter 14.06(2) of the Listing Rules which requires the publication of an announcement.

1. JOINT VENTURE CONTRACT 1

- Date: 27 December 2010
- Parties: (1) Yong Chang Mei Dian;
(2) Company; and
(3) Provincial Investment Co.
- Joint-venture company: Digua Coal Industry
- Principal business: Investing in the coal industry (subject to the scope of business as authorised by the relevant PRC Administration for Industry and Commerce department)
- Total investment: RMB 630 million (approximately HK\$730.8 million)
- Registered capital: RMB 630 million (approximately HK\$730.8 million),
- (1) 63% (i.e. RMB 396.9 million) (approximately HK\$460.4 million) of which shall be contributed by Yong Chang Mei Dian by way of exploration rights in No.1 Digua and in cash in Reminbi;
 - (2) 35% (i.e. RMB 220.50 million) (approximately HK\$255.78 million) of which shall be contributed by the Company in cash in United States Dollar or Reminbi (out of profits available for investment within the PRC); and
 - (3) 2% (i.e. RMB 12.6 million) (approximately HK\$14.62 million) of which shall be contributed by Provincial Investment Co. in cash in Reminbi.

Time of capital contribution:	<p>The first tranche of the capital contribution, being RMB 94.50 million (approximately HK\$109.62 million) shall be made within one month of the establishment of Digua Coal Industry, RMB 59.535 million (approximately HK\$69.06 million) of which shall be contributed by Yong Chang Mei Dian, RMB 33.075 million (approximately HK\$38.37 million) of which shall be contributed by the Company and RMB 1.89 million (approximately HK\$2.2 million) of which shall be contributed by Provincial Investment Co.</p> <p>The remaining capital contribution, being RMB 535.5 million (approximately HK\$621.2 million) shall be made by the parties within two years of the establishment of Digua Coal Industry</p>
Board of directors:	<p>The board of directors of Digua Coal Industry will comprise of nine directors. Yong Chang Mei Dian will be entitled to appoint five directors, the Company will be entitled to appoint three directors and Provincial Investment Co. will be entitled to appoint one director. The chairman and vice-chairman of the board of directors will be appointed by Yong Chang Mei Dian and the Company, respectively.</p>
Term:	<p>50 years from the date of issuance of the business licence of Digua Coal Industry.</p>
Profits:	<p>Profits and losses will be distributed to and borne by Yong Chang Mei Dian, the Company and Provincial Investment Co. in proportion to their respective equity interests in Digua Coal Industry.</p>

2. JOINT VENTURE CONTRACT 2

Date:	27 December 2010
Parties:	<p>(1) Company; (2) Yong Chang Mei Dian; and (3) Provincial Investment Co.</p>

Joint-venture company:	The parties agreed to establish Pu'an Power after obtaining the relevant Guizhou Provincial government department approval for the commencement of the preparation work of the project
Principal business:	To invest in the development, construction, operation, production and sale of electricity generated by the coal-fired power plant (subject to the scope of business as authorised by the relevant PRC Administration for Industry and Commerce department)
Total investment:	RMB 200 million (approximately HK\$232 million)
Registered capital:	RMB 200 million (approximately HK\$232 million), <ul style="list-style-type: none"> (1) 76% (i.e. RMB 152 million) (approximately HK\$176.32 million) of which shall be contributed by the Company in cash in United States Dollar or Reminbi (out of profits available for investment within the PRC); (2) 15% (i.e. RMB 30 million) (approximately HK\$34.8 million) of which shall be contributed by Yong Chang Mei Dian in cash in Reminbi; and (3) 9% (i.e. RMB 18 million) (approximately HK\$20.9 million) of which shall be contributed by Provincial Investment Co. in cash in Reminbi.
Time of capital contribution:	<p>The first tranche of the capital contribution, being RMB 30 million (approximately HK\$34.8 million) shall be made within one month of the establishment of Pu'an Power, RMB 22.8 million (approximately HK\$26.45 million) of which shall be contributed by the Company, RMB 4.5 million (approximately HK\$5.22 million) of which shall be contributed by Yong Chang Mei Dian and RMB 2.7 million (approximately HK\$3.13 million) of which shall be contributed by Provincial Investment Co.</p> <p>The remaining capital contribution, being RMB 170 million (approximately HK\$197.2 million) shall be made by the parties within two years of the establishment of Pu'an Power</p>

Board of directors:	The board of directors of Pu'an Power will comprise of seven directors. The Company will be entitled to appoint five directors and Yong Chang Mei Dian and Provincial Investment Co. will each be entitled to appoint one director. The chairman and vice-chairman of the board of directors will be appointed by the Company and Yong Chang Mei Dian, respectively.
Term:	30 years from the date of issuance of the business licence of Pu'an Power.
Profits:	Profits and losses will be distributed to and borne by the Company, Yong Chang Mei Dian and Provincial Investment Co. in proportion to their respective equity interests in Pu'an Power.

3. REASONS FOR THE JOINT VENTURES

The Directors are of the view that it would be in the interests of the Group and the Shareholders as a whole to enter into the Joint Ventures and that the investment projects contemplated thereunder are in line with the development planning and policies of the PRC Government.

The terms of the Joint Ventures are agreed by the parties after arm's length negotiation. The amount of the total registered capital of Digua Coal Industry and Pu'an Power were determined after arm's length negotiations by reference to the proposed capital requirement for the business of Digua Coal Industry and Pu'an Power, respectively.

4. GENERAL INFORMATION

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.

Yong Chang Mei Dian is incorporated in the PRC and is principally engaged in investing and managing its coal, chemical and mining businesses.

Provincial Investment Co. is incorporated in the PRC and is principally engaged in providing an investment and financing platform for the government of 貴州省黔西南州 (Nanzhou, Qianxi, Guizhou Province*).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the counterparties and the ultimate beneficial owners of the counterparties to the Joint Ventures are third party independent of the Company and connected persons of the Company. The Directors consider that the terms of the Joint Ventures are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

5. LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the transactions contemplated under the Joint Venture Contract 1 and Joint Venture Contract 2 exceed 5% but are less than 25%, the transactions contemplated under the Joint Ventures constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules which requires the publication of an announcement.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“CPI Group”	中國電力投資集團有限公司 (China Power Investment Corporation*), a wholly state-owned enterprise established by the State Council of the PRC
“Digua Coal Industry”	貴州普安地瓜坡煤業有限公司 (Guizhou Pu'an Digua Coal Industry Co. Ltd.)
“Director(s)”	director(s) 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”	The Hong Kong Special Administrative Region of the PRC
“Joint Ventures”	The Joint Venture Contract 1 and the Joint Venture Contract 2
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“No.1 Digua”	普興礦區地瓜坡一號煤田(No.1 coal field Digua, Puxing Mine District)
“Power Plant”	a power plant to be constructed by Pu’an Power in 貴州省黔西南州 (Nanzhou, Qianxi, Guizhou Province*) which is designed for building 4 X 600MW coal-fired generation units. First phase of construction will consist of building two generation units
“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
“Provincial Investment Co.”	貴州省黔西南州工業投資有限責任公司 (Guizhou Provincial Qianxi Nanzhou Industrial Investment Company Limited*)
“Pu’an Power”	貴州中電普安電力開發公司 (CPI Guizhou Pu’an Power Co., Ltd)
“RMB” or “Reminbi”	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\$1.16
“State Council”	中華人民共和國國務院 (The State Council of the PRC*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States Dollar”	United States dollar, the lawful currency of the United States of America

“Yong Chang Mei
Dian”

永城煤電控股集團有限公司 (Yong Chang Mei Dian
Holdings Group Company Limited*)

In this announcement, translation of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1.0 to HK\$1.16 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate or at all.

** English names of the PRC entities are the literal translations of their Chinese names and are included for identification purposes only. In the event of inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.*

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

Hong Kong, 27 December 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.