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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 TRANSACTIONS**

#### **Technical Repair and Maintenance Framework Agreement**

The Board announces that on 28 December 2012, the Company has entered into the Technical Repair and Maintenance Framework Agreement with CP Maintenance Engineering pursuant to which the parties agreed that the Technicians will provide the Employers, subsidiaries of the Company, with repair and maintenance services for their power generation units and related power generation facilities.

Since the Technicians are indirect subsidiaries of CPI Holding, a controlling shareholder of the Company holding approximately 63.59% of the issued share capital of the Company, the Technicians are therefore connected persons of the Company under the Listing Rules. The transactions contemplated under the Technical Repair and Maintenance Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The proposed annual caps of the Technical Repair and Maintenance Framework Agreement for the three financial years ending 31 December 2013, 2014 and 2015, namely RMB154,000,000, RMB186,000,000 and RMB186,000,000 (equivalent to approximately HK\$190,123,457, HK\$229,629,630 and HK\$229,629,630) respectively, fall below 5% of the applicable ratio under Rule 14A.34 of the Listing Rules, it is therefore subject to reporting and announcement requirements but exempt from the independent shareholders' approval. Details of the Technical Repair and Maintenance Framework Agreement will be included in the next published annual report and accounts of the Company pursuant to Rule 14A.45 of the Listing Rules.

Reference is made to the announcement of the Company dated 21 December 2009 in relation to the composite repair and maintenance service agreements which will expire on 31 December 2012.

On 28 December 2012, the Company has entered into the Technical Repair and Maintenance Framework Agreement with CP Maintenance Engineering pursuant to which the parties agreed that the Technicians will provide the Employers, subsidiaries of the Company, with repair and maintenance services for their power generation units and related power generation facilities after the original composite repair and maintenance service agreements expire on 31 December 2012.

## **TECHNICAL REPAIR AND MAINTENANCE FRAMEWORK AGREEMENT**

### **Date**

28 December 2012

### **Parties**

- (i) The Company (representing its subsidiaries, individually the “Employer” or collectively the “Employers”); and
- (ii) CP Maintenance Engineering (representing its subsidiaries, individually the “Technician” or collectively the “Technicians”).

### **Principal Terms**

The term of the Framework Agreement is three years commencing from 1 January 2013 and ending 31 December 2015.

Under the Technical Repair and Maintenance Framework Agreement, the repair and maintenance services for power generation units and related power generation facilities include:

- daily routine repair and maintenance, including protection against frost, heat and other seasonal conditions;
- ongoing technical testing and regular technical improvements to ensure compliance with the requirements and specifications for power generation governed by the relevant PRC authorities;
- planning periodic comprehensive inspection, maintenance, parts replacement, and calibration of measuring apparatus; and
- such other services for the operation of the power generation units and related power generation facilities as agreed between the Employers and the Technicians from time to time.

The service fee payable to relevant Technician from the relevant Employer shall be determined by the following:

- the applicable State tariffs set by the PRC government, if any;
- if there are no such stipulated State tariffs, tariffs recommended by the PRC government;
- if there are neither State tariffs nor recommended tariffs, prices determined in accordance with the tariffs for similar services provided by independent third parties in the prevailing market; and
- in the absence of the above, an agreed price at arm’s length negotiation reflecting the reasonable costs incurred by the relevant Technician in providing the services plus profit basis.

The Employers shall settle the service fee by cash on a monthly basis or payable within 3 months after completion of the required services.

### Proposed Annual Caps

It is anticipated that the proposed annual caps of the Technical Repair and Maintenance Framework Agreement for the three financial years ending 31 December 2013, 2014 and 2015, are RMB154,000,000, RMB186,000,000 and RMB186,000,000 (equivalent to approximately HK\$190,123,457, HK\$229,629,630 and HK\$229,629,630) respectively, based on the following factors:

- (a) The historical record;

Power Plants	Actual Usage in 2010 (RMB'000)	Actual Usage in 2011 (RMB'000)	Estimated Usage in 2012 (RMB'000)	Estimated Annual Cap in 2013 (RMB'000)	Estimated Annual Cap in 2014 (RMB'000)	Estimated Annual Cap in 2015 (RMB'000)
Pingwei Power Plant	50,070	50,240	51,380	55,630	55,630	55,630
Yaomeng Power Plant	44,830	41,240	45,000	50,820	50,820	50,820
CP Shentou Power Plant*	--	--	--	48,000	80,000	80,000
Total	94,900	91,480	96,380	154,450	186,450	186,450

**\*Note**

*CP Shentou Power Plant has two new 600MW super-critical coal-fired power generation units which are expected to complete construction and commence commercial operation early next year.*

- (b) the age, condition and repair and maintenance needs of each power generation unit and facility;
- (c) the expected time cost of technical labour required; and
- (d) the complexity of the repair and maintenance works involved.

### REASONS AND BENEFITS FOR THE TRANSACTION

Repair and maintenance of the power generation units are essential to ensure the safe, effective and efficient operations of the Company's coal-fired power plants. Such repair and maintenance are highly-technical in nature and can only be carried out by engineers and skilled technicians equipped with the relevant technical skills and specialized knowledge. As the relevant Technicians have the relevant technical expertise and specific in-depth knowledge of the relevant power plants of the Company's power generation units and related power generation facilities, the entering into the Technical Repair and Maintenance Framework Agreement will ensure continuity of reliable services, and the safe, effective and efficient operations of the relevant Employers.

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



“Company”	China Power International Development Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“CPDL”	China Power Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CPI Holding
“CPI Group”	China Power Investment Corporation* (中國電力投資集團公司), a wholly State-owned enterprise established by the State Council of the PRC* (中華人民共和國國務院)
“CPI Holding”	China Power International Holding Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CPI Group
“CP Maintenance Engineering”	China Power Maintenance Engineering Company Limited* (中電電力檢修工程有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of CPI Holding
“CP Shentou Power Plant”	China Power Shentou Power Generating Company Limited* (中電神頭發電有限責任公司), a company incorporated in the PRC and a 80%-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Employers”	CP Shentou Power Plant, Pingwei Power Plant and Yaomeng Power Plant, subsidiaries of the Company, collectively “Employers” or individually “Employer”
“Group”	the Company and its subsidiaries 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
“Technical Repair and Maintenance Framework Agreement” or “Framework Agreement”	the framework agreement for the provision of the composite repair and maintenance service entered into between the Company and CP Maintenance Engineering dated 28 December 2012
“Pingwei Power Plant”	Anhui Huainan Pingwei Electric Power Company Limited (安徽淮南平圩發電有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company

“PRC” or “China”	the People’s Republic of China (for the purpose of the announcement excluding the Special Administrative Regions of Hong Kong and Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technicians”	Anhui Huainan Pingwei Power Engineering Maintenance Company Limited* (安徽淮南平圩電力檢修工程有限責任公司), Pingdingshan Yaomeng Power Engineering Co., Ltd.* (平頂山姚孟電力工程有限責任公司) and Shanxi Shentou Engineering Company Limited* (山西神頭電力檢修有限責任公司), subsidiaries of CP Maintenance Engineering and indirect subsidiaries of CPI Holding, collectively “Technicians” or individually “Technician”
“Yaomeng Power Plant”	Pingdingshan Yaomeng Electric Power Company Limited (平頂山姚孟發電有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.81 to HK\$1.00. The translation shall not be taken as representation that the Renminbi could actually be converted into Hong Kong dollars at that rate, or at all.

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

Hong Kong, 28 December 2012

*As at the date of this announcement, the directors of the Company are: executive directors Li Xiaolin and Gu Dake, non-executive directors Guan Qihong and Wang Zichao, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec.*