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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)

(Stock Code: 2380)

CONNECTED TRANSACTIONS

Asset Acquisition Agreements

The Board announces that the following three Asset Acquisition Agreements have been signed on 1 April 2015.

Pingwei Maintenance Asset Acquisition Agreement

Pingwei Power Plant, a wholly owned subsidiary of the Company, has entered into the Pingwei Maintenance Asset Acquisition Agreement with Pingwei Maintenance Company, an indirect subsidiary of CPI Holding, pursuant to which Pingwei Power Plant has agreed to purchase certain assets from Pingwei Maintenance Company for a total consideration of RMB20,738,200 (equivalent to approximately HK\$26,251,000).

Pingwei Industry Asset Acquisition Agreement I

Pingwei Power Plant has entered into the Pingwei Industry Asset Acquisition Agreement I with Pingwei Industry Company, a wholly owned subsidiary of CPI Holding, pursuant to which Pingwei Power Plant has agreed to purchase certain assets from Pingwei Industry Company for a total consideration of RMB41,773,200 (equivalent to approximately HK\$52,877,000).

Pingwei Industry Asset Acquisition Agreement II

Pingwei Power Plant II, a 75%-owned subsidiary of the Company, has entered into the Pingwei Industry Asset Acquisition Agreement II with Pingwei Industry Company, pursuant to which Pingwei Power Plant II has agreed to purchase certain assets from Pingwei Industry Company for a total consideration of RMB9,434,100 (equivalent to approximately HK\$11,942,000).

As at the date of this announcement, CPI Holding owns approximately 57.50% of the issued share capital of the Company. Pingwei Industry Company (a wholly owned subsidiary of CPI Holding) and Pingwei Maintenance Company (a direct subsidiary of CPI Maintenance Engineering and an indirect subsidiary of CPI Holding) are both connected persons of the Company within the meaning of the Listing Rules. Accordingly,

the transactions contemplated under the Asset Acquisition Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Pingwei Maintenance Asset Acquisition Agreement (after aggregation), the Pingwei Industry Asset Acquisition Agreement I (individually and after aggregation) and the Pingwei Industry Asset Acquisition Agreement II (after aggregation) exceed 0.1% but all are less than 5%, each of the Asset Acquisition Agreements is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board announces that on 1 April 2015, Pingwei Power Plant and Pingwei Power Plant II, subsidiaries of the Company have entered into three Asset Acquisition Agreements, pursuant to which the parties have agreed to purchase certain assets from Pingwei Maintenance Company and Pingwei Industry Company, subsidiaries of CPI Holding.

Set out below is a summary of the principal terms of the Asset Acquisition Agreements:

(A) PINGWEI MAINTENANCE ASSET ACQUISITION AGREEMENT

Date

1 April 2015

Parties

- (i) Pingwei Power Plant (as the purchaser); and
- (ii) Pingwei Maintenance Company (as the seller).

Assets to be acquired

Subject to the terms and conditions of the Pingwei Maintenance Asset Acquisition Agreement, Pingwei Power Plant agrees to purchase, and Pingwei Maintenance Company agrees to sell, fixed assets including but not limited to:

- (a) Title of certain buildings or units, such as offices, storage rooms, maintenance rooms and laboratories; and
- (b) Facilities and equipment related to power generation, such as coal hopper cars, electronic hoists, infrared imaging devices, high pressure hot water machines and electric oil filters.

The original acquisition costs of the relevant fixed assets is RMB71,536,614.97 (equivalent to approximately HK\$90,553,000).

Consideration and Payment Terms

The total consideration for the acquisition is RMB20,738,200 (equivalent to approximately HK\$26,251,000). The consideration equals the market value of the assets as at 31 December 2014 as determined by China Alliance Appraisal Co., Ltd (北京中同華資產評估有限公司), an independent third party property valuation company engaged by the Company.

Pingwei Power Plant will pay Pingwei Maintenance Company a sum of RMB10,369,100 (equivalent to approximately HK\$13,125,000) (50% of the total consideration) within 20 days after the date of the Pingwei Maintenance Asset Acquisition Agreement and a sum of RMB10,369,100 (equivalent to approximately HK\$13,125,000) (the remaining 50% of the total consideration) within 20 days after completion of the assets transfer, failing which Pingwei Power Plant will be subject to a late payment penalty of 0.05% of the default amount per day. If payment is delayed for over 3 months from the due date for payment, Pingwei Maintenance Company will be entitled to terminate the Pingwei Maintenance Asset Acquisition Agreement and claim damages.

Completion

The transfer of ownership should be completed within one month after the date of the Pingwei Maintenance Asset Acquisition Agreement and the assets which can be directly delivered should be delivered to Pingwei Power Plant within 20 days after the date of the Pingwei Maintenance Asset Acquisition Agreement, failing which Pingwei Maintenance Company will be subject to a penalty of 0.05% of the default amount per day. If such transfer or delivery is delayed for over 3 months, Pingwei Power Plant will be entitled to terminate the Pingwei Maintenance Asset Acquisition Agreement and claim damages.

(B) PINGWEI INDUSTRY ASSET ACQUISITION AGREEMENT I

Date

1 April 2015

Parties

- (i) Pingwei Power Plant (as the purchaser); and
- (ii) Pingwei Industry Company (as the seller).

Assets to be acquired

Subject to the terms and conditions of the Pingwei Industry Asset Acquisition Agreement I, Pingwei Power Plant agrees to purchase, and Pingwei Industry Company agrees to sell, fixed assets including but not limited to:

- (a) Title of certain buildings or units, such as duty office and workshop; and
- (b) Facilities and equipment related to power generation, such as cranes, trucks and coal hopper cars.

The original acquisition costs of the relevant fixed assets is RMB67,764,026.71 (equivalent to approximately HK\$85,777,000).

Consideration and Payment Terms

The total consideration for the acquisition is RMB41,773,200 (equivalent to approximately HK\$52,877,000). The consideration equals the market value of the assets as at 31 December 2014 as determined by China Alliance Appraisal Co., Ltd (北京中同華資產評估有限公司), an independent third party property valuation company engaged by the Company.

Pingwei Power Plant will pay Pingwei Industry Company a sum of RMB20,886,600 (equivalent to approximately HK\$26,439,000) (50% of the total consideration) within 20 days after the date of the Pingwei Industry Asset Acquisition Agreement II and a sum of RMB20,886,600 (equivalent to approximately HK\$26,439,000) (the remaining 50% of the total consideration) within 20 days after completion of the assets transfer, failing which Pingwei Power Plant will be subject to a late payment penalty of 0.05% of the default amount per day. If payment is delayed for over 3 months from the due date for payment, Pingwei Industry Company will be entitled to terminate the Pingwei Industry Asset Acquisition Agreement I and claim damages.

Completion

The transfer of ownership should be completed within one month after the date of the Pingwei Industry Asset Acquisition Agreement I and the assets which can be directly delivered should be delivered to Pingwei Power Plant within 20 days after the date of the Pingwei Industry Asset Acquisition Agreement I, failing which Pingwei Industry Company will be subject to a penalty of 0.05% of the default amount per day. If such transfer or delivery is delayed for over 3 months from the due date for payment, Pingwei Power Plant will be entitled to terminate the Pingwei Industry Asset Acquisition Agreement I and claim damages.

(C) PINGWEI INDUSTRY ASSET ACQUISITION AGREEMENT II

Date

1 April 2015

Parties

- (i) Pingwei Power Plant II (as the purchaser); and
- (ii) Pingwei Industry Company (as the seller).

Assets to be acquired

Subject to the terms and conditions of the Pingwei Industry Asset Acquisition Agreement II, Pingwei Power Plant II agrees to purchase, and Pingwei Industry Company agrees to sell, 45 coal hopper cars.

The original acquisition costs of the 45 coal hopper cars is RMB16,911,000 (equivalent to approximately HK\$21,406,000).

Consideration and Payment Terms

The total consideration for the acquisition is RMB9,434,100 (equivalent to approximately HK\$11,942,000). The consideration equals the market value of the assets as at 31 December 2014 as determined by China Alliance Appraisal Co., Ltd (北京中同華資產評估有限公司), an independent third party property valuation company engaged by the Company.

Pingwei Power Plant II will pay Pingwei Industry Company a sum of RMB4,717,050 (equivalent to approximately HK\$5,971,000) (50% of the total consideration) within 20 days after the date of the Pingwei Industry Asset Acquisition Agreement II and a sum of RMB4,717,050 (equivalent to approximately HK\$5,971,000) (the remaining 50% of the total consideration) within 20 days after completion of the assets transfer, failing which Pingwei Power Plant II will be subject to a late payment penalty of 0.05% of the default amount per day. If payment is delayed for over 3 months from the due date for payment, Pingwei Industry Company will be entitled to terminate the Pingwei Industry Asset Acquisition Agreement II and claim damages.

Completion

The transfer of ownership should be completed within one month after the date of the Pingwei Industry Asset Acquisition Agreement II and the assets which can be directly delivered should be delivered to Pingwei Power Plant II within 20 days after the date of the Pingwei Industry Asset Acquisition Agreement II, failing which Pingwei Industry Company will be subject to a penalty of 0.05% of the default amount per day. If such transfer or delivery is delayed for over 3 months from the due date for payment, Pingwei Power Plant II will be entitled to terminate the Pingwei Industry Asset Acquisition Agreement II and claim damages.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The demand for repair and maintenance services as well as other ancillary services from the Pingwei Power Plants has been rising sharply in recent years due to the expansion of their existing power generating units and the establishment of new power generating units. The Pingwei Power Plants have therefore decided to purchase relevant assets from Pingwei Maintenance Company and Pingwei Industry Company, and also start to put in place their own technical and supporting service teams to replace the relevant services currently provided by Pingwei Maintenance Company and Pingwei Industry Company in order to reduce the number of the continuing connected transactions in respect of the related services. Please also refer to the Company's announcement regarding the New Technical Repair and Maintenance Framework Agreement and the New Composite Support Services Framework Agreement dated 1 April 2015 for further information.

The Company believes that these arrangements are in the best interests of the Pingwei Power Plants since these will enable them to mobilize their own assets and human resources effectively to fulfill their power generation targets, strengthen their management control and enhance operational flexibility in the long run.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the above transactions are entered into in the ordinary 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.

PRINCIPAL BUSINESS OF THE GROUP AND 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.

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, hydropower plants and wind power plants.

The principal business of Pingwei Power Plant and Pingwei Power Plant II is to develop, construct, own, operate and manage large coal-fired power plants in the PRC.

Pingwei Maintenance Company, an indirect subsidiary of CPI Holding, is principally engaged in the provision of technical repair and maintenance services for power generating units and related power generation facilities.

Pingwei Industry Company, a wholly owned subsidiary of CPI Holding, is principally engaged in providing various supporting services to power plant operations.

COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, Pingwei Power Plant is a wholly owned subsidiary of the Company and Pingwei Power Plant II is a 75%-owned subsidiary of the Company.

As at the date of this announcement, CPI Holding owns approximately 57.50% of the issued share capital of the Company. As CPI Holding is the controlling shareholder of the Company, CPI Holding, its subsidiaries and associates both are connected persons of the Company within the meaning of the Listing Rules. Pingwei Industry Company (a wholly owned subsidiary of CPI Holding) and Pingwei Maintenance Company (a direct subsidiary of CPI Maintenance Engineering and an indirect subsidiary of CPI Holding) are therefore connected persons of the Company within the meaning of the Listing Rules. Accordingly, the transactions contemplated under the Asset Acquisition Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the Pingwei Maintenance Asset Acquisition Agreement (after aggregation), the Pingwei Industry Asset Acquisition Agreement I (individually and after aggregation) and the Pingwei Industry Asset Acquisition Agreement II (after aggregation) exceed 0.1% but all are less than 5%, each of the Asset Acquisition Agreements is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the transactions contemplated under the Asset Acquisition Agreements and none of them is required to abstain from voting on the Board resolution approving the Asset Acquisition Agreements.

DEFINITIONS

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

“Asset Acquisition Agreements”	Pingwei Maintenance Asset Acquisition Agreement, Pingwei Industry Asset Acquisition Agreement I and Pingwei Industry Asset Acquisition Agreement II
“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“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), the ultimate controlling company of the Company
“CPI Holding”	China Power International Holding Limited, a company incorporated in Hong Kong with limited liability, the controlling company of the Company 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 with limited liability and a wholly owned subsidiary of CPI Holding
“Director(s)”	director(s) of the Company
“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
“New Composite Support Services Framework Agreement”	the framework agreement for the provision of various supporting services in relation to daily power plant operations entered into between the Company and CPI Holding dated 1 April 2015

“New Technical Repair and Maintenance 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 1 April 2015
“Pingwei Industry Asset Acquisition Agreement I”	the agreement entered into for the sale and purchase of assets between Pingwei Power Plant and Pingwei Industry Company dated 1 April 2015
“Pingwei Industry Asset Acquisition Agreement II”	the agreement entered into for the sale and purchase of assets between Pingwei Power Plant II and Pingwei Industry Company dated 1 April 2015
“Pingwei Industry Company”	Anhui Huainan Pingwei Electric Power Industry Company Limited* (安徽淮南平圩電力實業有限責任公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of CPI Holding
“Pingwei Maintenance Asset Acquisition Agreement”	the agreement entered into for the sale and purchase of assets between Pingwei Power Plant and Pingwei Maintenance Company dated 1 April 2015
“Pingwei Maintenance Company”	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), a company incorporated in the PRC with limited liability and a direct subsidiary of CP Maintenance Engineering and an indirect subsidiary of CPI Holding
“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
“Pingwei Power Plant II”	Huainan Pingwei No. 2 Electric Power Co., Ltd. (淮南平圩第二發電有限責任公司), a company incorporated in the PRC with limited liability and a 75%-owned subsidiary of the Company
“Pingwei Power Plants”	Pingwei Power Plant and Pingwei Power Plant II
“PRC” or “China”	the People’s Republic of China. Geographical references in this announcement to the PRC or China excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.79 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, 1 April 2015

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