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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)

CONTINUING CONNECTED TRANSACTION

Renewal of a Property Lease Agreement

The Board announces that on 31 August 2015, the Company has entered into the Property Lease Agreement with CPI Holding in relation to a renewal of tenancy for the Premises.

As at the date of this announcement, CPI Holding owns approximately 55.55% of the issued share capital of the Company. As CPI Holding is the controlling shareholder of the Company, CPI Holding is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the Property Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Property Lease Agreement, the maximum annual rental payable by the Company to CPI Holding amounts to RMB20,908,800 (equivalent to approximately HK\$25,498,500). As the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the maximum annual rental exceed 0.1% but fall below 5%, therefore the transaction is subject to the announcement, reporting and annual review requirements but is exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Property Lease 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.

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PROPERTY LEASE AGREEMENT

Date

31 August 2015

Parties

- (i) The Company (the lessee); and
- (ii) CPI Holding (the lessor).

Principal Terms and Annual Cap

Address:	Premises on the 6th to 9th and 11th to 13th Floors, East Building, Hui Huang Shi Dai Plaza, 56 North West Fourth Ring Road, Haidian District, Beijing, the PRC.
Area:	8,800 square metres
Use:	Office
Lease term:	1 September 2015 to 31 August 2018
Annual rent:	RMB20,908,800 (equivalent to approximately HK\$25,498,500) or RMB198 per square metre per month (equivalent to approximately HK\$241 per square metre per month)
Payment method:	Rental of RMB10,454,400 should be prepaid within 30 days from the date of commencement of the lease term, thereafter, in March and September each year the rental of RMB10,454,400 should be prepaid semi-annually.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

The Premises being rented under the Property Lease Agreement are used by the Company as its office in Beijing, the PRC. The rent is determined after arm's length negotiations with reference to the prevailing market rent of other similar premises in the nearby locations (not less than five latest comparable transactions). The Directors are of the view that the terms of renewing the Property Lease Agreement are no less favourable than the terms available from independent third parties, and will save the unnecessary relocation and administration costs, which is beneficial to the Group.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Property Lease 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.

PRINCIPAL BUSINESS OF THE GROUP AND CPI HOLDING

The Company is a core subsidiary of SPIC for conventional energy business. The SPIC is the only one integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources in the PRC. CPI Holding is wholly-owned by SPIC and owns and operates coal-fired, hydroelectric, wind and natural gas power plants in the PRC. As at the date of this announcement, SPIC through CPI Holding, owns approximately 55.55% of the issued share capital of the Company.

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, wind power and other clean energy power plants.

COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, CPI Holding owns approximately 55.55% of the issued share capital of the Company. As CPI Holding is the controlling shareholder of the Company, CPI Holding is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the Property Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Property Lease Agreement, the rental payable by the Company to CPI Holding during the lease term amounts to RMB6,969,600 (equivalent to approximately HK\$8,499,500) for the four months from 1 September 2015 to 31 December 2015, RMB20,908,800 (equivalent to approximately HK\$25,498,500) for each of the two financial years ending 31 December 2016 and 2017, and RMB13,939,200 (equivalent to approximately HK\$16,999,000) for the eight months ending 31 August 2018 respectively. As the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the maximum annual rent of RMB20,908,800 (equivalent to approximately HK\$25,498,500) exceed 0.1% but fall below 5%, therefore the transaction is subject to the announcement, reporting and annual review requirements but is exempt from the independent shareholders’ approval under Chapter 14A of the Listing Rules.

None of the Directors has material interest in the transaction of the Property Lease Agreement or is required to abstain from voting on the Board resolution.

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 with limited liability whose shares are listed on the Main Board of the Stock Exchange
“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 SPIC
“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
“PRC”	the People’s Republic of China. Geographical references in this announcement to the PRC excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Premises”	Premises on the 6th to 9th and 11th to 13th Floors, East Building, Hui Huang Shi Dai Plaza, 56 North West Fourth Ring Road, Haidian District, Beijing, the PRC
“Property Lease Agreement”	the agreement entered into between the Company and CPI Holding for leasing the Premises on 31 August 2015
“RMB”	Renminbi, the lawful currency of the PRC
“SPIC”	State Power Investment Corporation* (國家電力投資集團公司), the ultimate controlling company of the Company, a wholly State-owned enterprise formerly named as China Power Investment Corporation* (中國電力投資集團公司), was approved by the State Council of the PRC* (中華人民共和國國務院) for the consolidation and reorganization with the State Nuclear Power Technology Corporation* (國家核電技術公司) in mid-2015
“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 RMB0.82 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
Yu Bing
Executive Director

Hong Kong, 1 September 2015

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