

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TRANSACTION

Production Target Sale and Purchase Agreement

The Board announces that on 30 October 2015, Yaomeng Power Plant II (a wholly-owned subsidiary of the Company) entered into the Production Target Sale and Purchase Agreement with Zhengzhou Power Plant, pursuant to which the parties have agreed that Yaomeng Power Plant II will purchase part of Power Production Quota from Zhengzhou Power Plant.

Zhengzhou Power Plant is an indirect subsidiary of SPIC. SPIC is the ultimate controlling shareholder of the Company which is interested in approximately 55.35% of the issued share capital of the Company. As such, Zhengzhou Power Plant is a connected person of the Company as defined in the Listing Rules. Accordingly, the Production Target Sale and Purchase Agreement constitutes a connected transaction of the Company under the Listing Rules.

The maximum consideration payable by Yaomeng Power Plant II to Zhengzhou Power Plant pursuant to the Production Target Sale and Purchase Agreement based on the relevant Power Production Quota amounted to RMB35,000,000 (equivalent to approximately HK\$42,682,900). As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Production Target Sale and Purchase Agreement exceed 0.1% but fall below 5%, therefore the transaction is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 30 October 2015, Yaomeng Power Plant II (a wholly-owned subsidiary of the Company) entered into the Production Target Sale and Purchase Agreement with Zhengzhou Power Plant, pursuant to which the parties have agreed that Yaomeng Power Plant II will purchase part of Power Production Quota from Zhengzhou Power Plant.

The Production Target Sale and Purchase Agreement was approved by the State Grid Henan Electric Power Company (the provincial power grid company in Henan Province, the PRC) on 30 October 2015.

PRODUCTION TARGET SALE AND PURCHASE AGREEMENT

Date

30 October 2015

Parties

- (i) Yaomeng Power Plant II (as the purchaser); and
- (ii) Zhengzhou Power Plant (as the seller).

Consideration

Power Production Quota to be transacted: 200,000MWh

Unit price: RMB175/MWh (inclusive of all applicable taxes)

The final Power Production Quota to be transacted will be subject to the actual on-grid electricity to be generated by Yaomeng Power Plant II and as confirmed by the State Grid Henan Electric Power Company. The maximum consideration payable by Yaomeng Power Plant II to Zhengzhou Power Plant based on the Power Production Quota of 200,000MWh and the unit price of RMB175/MWh will be RMB35,000,000 (equivalent to approximately HK\$42,682,900).

The consideration was determined by mutual agreement after commercial negotiations and by reference to the market quotations for trading Power Production Quota in Henan Province (not less than three latest quotations) as well as Yaomeng Power Plant II's current marginal revenue for the power production units. Zhengzhou Power Plant offered one of the most competitive terms of trading Power Production Quota during the negotiations between Yaomeng Power Plant II and other potential sellers (including independent third parties).

Payment Terms

After Yaomeng Power Plant II has generated electricity under the monthly Power Production Quota as determined by the provincial power grid company, Yaomeng Power Plant II will pay Zhengzhou Power Plant within the first 5 business days in the following month a month-end power production transfer fee (based on the actual on-grid electricity generated) in a lump sum via wire transfer.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

Impacted by slowdown in macroeconomic growth and adjustment in industrial structure, since the first three quarters of this year, the average utilization hours of coal-fired power generating units generally declined over last year in China. To raise power generation and utilization of power generating units, it is in the best interests of the Company to enter into the Production Target Sale and Purchase Agreement. The electricity sale generated from the acquired Power Production Quota is expected to increase revenue and profit of 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 Production Target Sale and Purchase Agreement was 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, YAOMENG POWER PLANT II AND ZHENGZHOU POWER PLANT

The Company is a core subsidiary of SPIC for conventional energy business. SPIC is the only one integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources 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, wind power and other clean energy power plants.

Yaomeng Power Plant II is a wholly-owned subsidiary of the Company which principally engages in the electric development, construction, operation and management of power plants.

Zhengzhou Power Plant is an indirect subsidiary of SPIC which principally engages in the development, sale and generation of electricity. Zhengzhou Power Plant is a gas-fired power plant which is equipped with 600MW power production units.

COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, SPIC owns approximately 55.35% of the issued share capital of the Company. As SPIC is the ultimate controlling shareholder of the Company, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

Since Zhengzhou Power Plant is an indirect subsidiary of SPIC, Zhengzhou Power Plant is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Production Target Sale and Purchase Agreement constitutes a connected transaction of the Company under the Listing Rules.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Production Target Sale and Purchase Agreement exceed 0.1% but fall below 5%, therefore the transaction is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the transaction of the Production Target Sale and Purchase Agreement and none of them is required to abstain from voting on the Board resolution approving the Production Target Sale and Purchase Agreement.

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
“Power Production Quota”	the power quota of annual power production plan for relevant power plants issued by Henan Province Development and Reform Commission for the year ending 31 December 2015
“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
“Production Target Sale and Purchase Agreement”	the agreement entered into for sale and purchase of Power Production Quota between Yaomeng Power Plant II and Zhengzhou Power Plant dated 30 October 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
- “Yaomeng Power Plant II” Pingdingshan Yaomeng No. 2 Power Company Limited (平頂山姚孟第二發電有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
- “Zhengzhou Power Plant” Zhengzhou Gas Power Company Limited* (鄭州燃氣發電有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CPI Henan Power Company Limited* (中電投河南電力有限公司), which is a wholly-owned subsidiary of SPIC

* *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, 3 November 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.