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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

Coal Supply Supplemental Agreement and Revision of Annual Caps

The Board announces that the Company entered into the Coal Supply Supplemental Agreement on 20 November 2015 with Qinghe Electric Power to revise the annual caps of the amounts payable in relation to the procurement and supply of coal by the Company to Qinghe Electric Power under the Qinghe Coal Supply Framework Agreement.

Qinghe Electric Power is a subsidiary of CPI Holding. CPI Holding is the controlling shareholder of the Company which is interested in approximately 55.35% of the issued share capital of the Company. As such, Qinghe Electric Power is a connected person of the Company as defined in the Listing Rules. Accordingly, the transaction contemplated under the Coal Supply Supplemental Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

Pursuant to the Coal Supply Supplemental Agreement, the maximum amounts of coal to be procured and supplied by the Company to Qinghe Electric Power for the years ending 31 December 2015 and 2016 shall be increased to RMB195,000,000 and RMB221,000,000 (equivalent to approximately HK\$237,800,000 and HK\$269,500,000) respectively.

As the highest of the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the Revised Annual Caps for the transaction contemplated under the Coal Supply Supplemental Agreement 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.

Reference is made to the announcement of the Company dated 18 December 2013 in relation to, among other matters, the Qinghe Coal Supply Framework Agreement entered into between the Company and Qinghe Electric Power, pursuant to which the Company procures and supplies coal to Qinghe Electric Power for three years commencing from 1 January 2014 to 31 December 2016.

The Board announces that the Company entered into the Coal Supply Supplemental Agreement on 20 November 2015 with Qinghe Electric Power to revise the annual caps of the amounts payable in relation to the procurement and supply of coal by the Company to Qinghe Electric Power under the Qinghe Coal Supply Framework Agreement.

COAL SUPPLY SUPPLEMENTAL AGREEMENT AND REVISION OF ANNUAL CAPS

Date

20 November 2015

Parties

- (i) The Company (the agent); and
- (ii) Qinghe Electric Power (the purchaser).

Original Annual Cap

Pursuant to the Qinghe Coal Supply Framework Agreement and the Company's announcement dated 18 December 2013, the total volume and amount of coal to be procured and supplied by the Company to Qinghe Electric Power were:

- (a) 500,000 tonnes for each of the years ending 31 December 2015 and 2016; and
- (b) RMB130,000,000 (equivalent to approximately HK\$158,500,000) for each of the years ending 31 December 2015 and 2016.

For the year ended 31 December 2014 and the nine months ended 30 September 2015, the total amount paid by Qinghe Electric Power to the Company were RMB52.84 million and RMB123.22 million respectively. As at the date of this announcement, the Original Annual Cap for the year ended 31 December 2015 has not been exceeded as the Company

suspended the coal supply to Qinghe Electric Power until both parties have reached an agreement to revise the total amount of coal to be transacted by the end of this year under the Qinghe Coal Supply Framework Agreement.

Revised Annual Caps

Taking into account of (i) the current transacted coal prices of the local coal exchange or market in the PRC, (ii) the available data published at the website of 中國煤炭市場網 (China Coal Market*) at www.cctd.com.cn, and (iii) the favourable bargaining prices by bulk purchases, the revised total volume and amount of coal to be procured and supplied by the Company to Qinghe Electric Power under the Coal Supply Supplemental Agreement shall be:

- (a) 1,500,000 tonnes and 1,700,000 tonnes for the years ending 31 December 2015 and 2016 respectively; and
- (b) RMB195,000,000 and RMB221,000,000 (equivalent to approximately HK\$237,800,000 and HK\$269,500,000) for the years ending 31 December 2015 and 2016 respectively.

Save as disclosed above, all the other terms of the Qinghe Coal Supply Framework Agreement remain unchanged.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The coal market in China has been remaining sluggish this year, the market prices of coal procured by the Company have been constantly lower than the prices of direct purchase from coal miners by Qinghe Electric Power. Qinghe Electric Power therefore increased its demand for the market coal procured through the Company, in particular the one-off discount purchase by this year-end would further lower its cost of production. The Company is able to obtain the most favourable coal prices in procuring coal supply by its centralized volume bulk purchasing capacity for Qinghe Electric Power as well as bringing in additional income to the Group. Subject to the parties' discussion and negotiation at arm's length basis, the Company entered into the Coal Supply Supplemental Agreement to amend the total volume and amount of coal to be transacted and revised the annual caps of the continuing connected transaction.

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

INFORMATION ON THE COMPANY AND THE GROUP

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.

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.

INFORMATION ON QINGHE ELECTRIC POWER

Qinghe Electric Power is a wholly-owned subsidiary of CPI Holding which principally engages in the construction and operation of large power plant. Qinghe Electric Power is a coal-fired power plant which is equipped with 1,600MW power production units.

COMPLIANCE WITH THE LISTING RULES

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

Since Qinghe Electric Power is a subsidiary of CPI Holding, Qinghe Electric Power is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Coal Supply Supplemental Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

As the highest of the applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the Revised Annual Caps for the transaction contemplated under the Coal Supply Supplemental Agreement 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 Coal Supply Supplemental 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:

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| “Board” | the board of Directors of the Company |
| “Coal Supply Supplemental Agreement” | a supplemental agreement to the Qinghe Coal Supply Framework Agreement entered into between the Company and Qinghe Electric Power dated 20 November 2015 |
| “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 |
| “Original Annual Cap” | the annual cap of the amounts payable under the Qinghe Coal Supply Framework Agreement for each of the two financial years ending 31 December 2015 and 2016 |
| “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 |
| “Qinghe Coal Supply Framework Agreement” | the framework agreement for the procurement and supply of coal between the Company and Qinghe Electric Power dated 18 December 2013, the details of which were set out in the announcement of the Company dated 18 December 2013 |
| “Qinghe Electric Power” | Liaoning Qinghe Electric Power Company Limited (遼寧清河發電有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CPI Holding |

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| “Revised Annual Caps” | the annual caps of the amounts payable under the Coal Supply Supplemental Agreement for the two financial years ending 31 December 2015 and 2016 |
| “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, 23 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.