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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 Lease Agreement by Wu Ling Power

The Board announces that on 28 December 2015, Wu Ling Power (a 63%-owned subsidiary of the Company) has entered into the Wu Ling Lease Agreement with Qian Dong Power in relation to the renewal of a tenancy of the Transmission Lines and Switching Facilities.

Qian Dong Power is a non-wholly owned 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, Qian Dong Power is a connected person of the Company as defined in the Listing Rules. Accordingly, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

The annual rent payable by Qian Dong Power to Wu Ling Power under the Wu Ling Lease Agreement for each of the three financial years ending 31 December 2016, 2017 and 2018 is RMB54,110,000 (equivalent to approximately HK\$64,420,000), excluding the value added tax. The certain applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the annual rent payable 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 20 December 2013 in relation to the lease agreement of the Transmission Lines and Switching Facilities which will expire on 31 December 2015.

On 28 December 2015, Wu Ling Power has entered into the Wu Ling Lease Agreement with Qian Dong Power in relation to the renewal of a tenancy of the Transmission Lines and Switching Facilities.

WU LING LEASE AGREEMENT

Date

28 December 2015

Parties

- (i) Wu Ling Power (the lessor); and
- (ii) Qian Dong Power (the lessee).

Principal Terms and Annual Cap

The term of the Wu Ling Lease Agreement is three years commencing from 1 January 2016 and ending 31 December 2018.

The rent of the Transmission Lines and Switching Facilities is determined based on the investment and construction costs of Wu Ling Power. Both parties agreed that the annual rent is RMB54,110,000 (equivalent to approximately HK\$64,420,000), excluding the value added tax, within the lease period.

From the commencement date of the lease period, the rent should be payable annually by Qian Dong Power before the 10th of January the following year for the rent due up to the immediate calendar year-end to Wu Ling Power.

Wu Ling Power has the right to terminate the Wu Ling Lease Agreement unilaterally by giving one month prior written notice to Qian Dong Power. In occurrence of any matter that required terminating the Wu Ling Lease Agreement, the rent should be settled pro rata to the actual number of rental days and should be paid within 15 days from the termination date of the agreement.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

Qian Dong Power has been using the Transmission Lines and Switching Facilities which were invested and constructed by Wu Ling Power for transmission of electricity to Hunan power grid before the Group acquired Wu Ling Power in 2009. The last transmission lines and switching facilities lease agreement signed by Wu Ling Power and Qian Dong Power on 20 December 2013 is due to expire on 31 December 2015, both parties agreed to renew the lease for three years. The Wu Ling Lease Agreement will bring an additional rental income 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 Wu Ling 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

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.

PRINCIPAL BUSINESS OF WU LING POWER

Wu Ling Power was incorporated in the PRC on 3 May 1995 and registered as a Sino-foreign joint venture with limited liability on 11 April 2006. Wu Ling Power is held by the Company and Hunan Xiangtou International Investment Limited* (湖南湘投國際投資有限公司) as to 63% and 37% respectively.

Wu Ling Power is principally engaged in the development, production and supply of hydropower, wind power and other clean energy power in Hunan, Guizhou, Sichuan and Xinjiang.

PRINCIPAL BUSINESS OF QIAN DONG POWER

Qian Dong Power was incorporated on 11 November 2004 in the PRC with limited liability. Qian Dong Power is held by the CPI Holding, Guizhou Shuicheng Mining Industry (Group) Company Limited* (貴州水城礦業(集團)有限責任公司) and Qiandongnan Miao and Dong Autonomous Prefecture Regional Power Corporation* (黔東南苗族侗族自治州地方電力總公司) as to 75%, 20% and 5% respectively.

Qian Dong Power is principally engaged in the electric development, construction, operation and management of power plants.

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 Qian Dong Power is a non-wholly owned subsidiary of CPI Holding, Qian Dong Power is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

The annual rent payable by Qian Dong Power to Wu Ling Power under the Wu Ling Lease Agreement for each of the three financial years ending 31 December 2016, 2017 and 2018 is

RMB54,110,000 (equivalent to approximately HK\$64,420,000), excluding the value added tax. The certain applicable percentage ratios as defined under Chapter 14 of the Listing Rules in relation to the annual rent payable 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 Wu Ling 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
“Qian Dong Power”	Guizhou Qian Dong Power Corporation* (貴州黔東電力有限公司), a company incorporated in PRC with limited liability and a non-wholly owned subsidiary of CPI Holding
“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
“Transmission Lines and Switching Facilities”	100km of the 500,000-volt lines double back on the same tower and a 500,000-volt switching facilities in Xiangxi which were invested, constructed and owned by Wu Ling Power
“Wu Ling Lease Agreement”	the agreement entered into between Wu Ling Power and Qian Dong Power for leasing the Transmission Lines and Switching Facilities on 28 December 2015
“Wu Ling Power”	Wu Ling Power Corporation* (五凌電力有限公司), a company incorporated in PRC with limited liability and a 63%-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 RMB0.84 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, 28 December 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.