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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)

Letter of Intent in relation to the Proposed Acquisition of 100% Equity Interest in Henan Power

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The Board announces that on 18 January 2016, the Company has entered into the Letter of Intent with SPIC, whereby the Company proposes to acquire and SPIC proposes to sell 100% of the equity interest in Henan Power.

The Proposed Acquisition, when entered into, may constitute a major transaction for the Company under the Listing Rules. Furthermore, as SPIC is an indirect controlling shareholder of the Company, the Proposed Acquisition, when entered into, will also constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the Proposed Acquisition will be subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules. Accordingly, the Proposed Acquisition will be subject to the approval of the Independent Shareholders at the general meeting.

The Proposed Acquisition is subject to the entering into of definitive legal agreements which are expected to contain certain conditions including the approval of the relevant regulatory authorities.

The Letter of Intent is not legally binding and the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE PROPOSED ACQUISITION

The Board announces that on 18 January 2016, the Company has entered into the Letter of Intent with SPIC, whereby the Company proposes to acquire and SPIC proposes to sell 100% of the equity interest in Henan Power.

As at the date of this announcement, the Company does not hold any equity interest in Henan Power. Upon completion of the Proposed Acquisition, the Company will own 100% of the equity interest in Henan Power.

The Proposed Acquisition is subject to the entering into of definitive legal agreements which are expected to contain certain conditions including, the approval of the relevant regulatory authorities.

The Letter of Intent is not legally binding and the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition will present a strategic opportunity for the Company to:

- (i) enlarge the Company's operational scale. Upon completion of the Proposed Acquisition, attributable installed capacity of the Company is expected to increase by approximately 30%. The Proposed Acquisition is also supplemental to the Company's new development projects; and
- (ii) eliminate the adverse competition in Henan Province. Henan Power had an installed coal-fired power capacity of approximately 4,600MW as at 31 December 2015. The Proposed Acquisition will eliminate the adverse competition within SPIC, improve synergy and operational efficiency in Henan Province, and allow the Company to become the leading power generation company in the power market of Henan Province.

The Company considers the Proposed Acquisition fits into its development strategy and it is now an ideal time to acquire Henan Power and tap on the growth potential of Henan Power. The Directors believe that the Proposed Acquisition will be beneficial to the Company and will have a positive impact on the Company's future prospects, thus benefiting the Company and its shareholders as a whole.

INFORMATION ON HENAN POWER

Henan Power was incorporated in the PRC on 5 March 2010 and registered as a company with limited liability. It has a registered capital of RMB2,726,350,000. Henan Power is currently wholly owned by SPIC.

Henan Power is principally engaged in the operation, production, investment and management of power and heat generation. As at 31 December 2015, Henan Power had a consolidated total installed capacity of approximately 5,600MW (not including the installed capacity of its associates), of which approximately 4,600MW was from coal-fired power.

According to the unaudited management account of Henan Power based on the prevailing accounting principles generally accepted in the PRC, its net profit before tax and net profit after tax and non-controlling interests for the year ended 31 December 2015 amounted to approximately RMB1,099 million and approximately RMB824 million respectively.

INFORMATION ON THE GROUP AND SPIC

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. As at the date of this announcement, SPIC through CPI Holding, owns 55.35% 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.

GENERAL

It is currently expected that the Proposed Acquisition, when entered into, may constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Furthermore, as SPIC is an indirect controlling shareholder of the Company interested in 55.35% in its share capital, the Proposed Acquisition, when entered into, will also constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the Proposed Acquisition will be subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules. Accordingly, the Proposed Acquisition will be subject to the approval of the Independent Shareholders at the general meeting.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules. The Company will comply with the applicable Listing Rules and laws if and when it enters into definitive legal agreements in connection with the Proposed Acquisition.

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 |
| “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 |

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| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries from time to time |
| “Henan Power” | China Power Investment Henan Power Corporation* (中電投河南電力有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of SPIC |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Shareholders” | shareholders of the Company other than CPI Holding and its associates |
| “Letter of Intent” | the non-legally binding letter of intent dated 18 January 2016 entered into between the Company and SPIC in relation to the Proposed Acquisition |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MW” | megawatt, that is, one million watts. The installed capacity of power plant is generally expressed in MW |
| “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 |
| “Proposed Acquisition” | the proposed acquisition by the Company of 100% equity interest in Henan Power |
| “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 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 RMB0.84 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, 18 January 2016

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.