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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)**

### **CONNECTED TRANSACTIONS**

#### **Aluminum Frames Purchase Framework Agreement**

The Board announces that on 1 August 2016, CP Guorui (a wholly-owned subsidiary of the Company) has entered into the Aluminum Frames Purchase Framework Agreement with Ningxia Aluminum pursuant to which the parties agreed that the Purchaser will purchase from the Supplier the aluminum frames for construction of the photovoltaic power stations.

Ningxia Aluminum is an indirect subsidiary of SPIC. SPIC is the ultimate controlling shareholder of the Company which is interested in approximately 55.61% of the issued share capital of the Company. As such, Ningxia Aluminum is a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under the Aluminum Frames Purchase Framework Agreement constitute connected transactions of the Company under the Listing Rules.

The maximum consideration payable by CP Guorui to Ningxia Aluminum pursuant to the Aluminum Frames Purchase Framework Agreement based on the anticipated purchase quantity amounted to RMB118,680,000 (equivalent to approximately HK\$139,600,000). As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Aluminum Frames Purchase Framework Agreement exceed 0.1% but fall below 5%, therefore the transactions are subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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# ALUMINUM FRAMES PURCHASE FRAMEWORK AGREEMENT

## Date

1 August 2016

## Parties

- (i) CP Guorui (as the Purchaser); and
- (ii) Ningxia Aluminum (as the Supplier).

## Purpose

Under the Framework Agreement, the Supplier will provide the Purchaser the aluminum frames for use in the construction of the photovoltaic power stations. The term of the agreement will become effective upon execution of the agreement and expire on 28 February 2017.

## Consideration

Purchase quantity: 6,220 tons  
Unit price: RMB19,080/ton

The above unit price is the on-site price inclusive of taxes, all the necessary parts and equipment for installation of aluminum frames, spare parts, tools, design fees, provision of technical information and technical services (including the on-site guidance services), packaging and transportation cost, insurance premium and all other expenses associated with the complete delivery and installation up to the required standards as specified in the Framework Agreement. The unit price shall remain unchanged during the effective period of the Framework Agreement.

The final quantity of the aluminum frames to be procured will depend on the final design of each of the Projects and as confirmed by the Purchaser. Based on the anticipated purchase quantity of 6,220 tons and the unit price of the aluminum frames of RMB19,080/ton, the maximum consideration payable will be approximately RMB118,680,000 (equivalent to approximately HK\$139,600,000).

## Payment Terms

The consideration of the aluminum frames is payable by instalments, of which: (i) 10% will be payable as a prepayment within 30 days after the Framework Agreement takes effect (i.e. from signing); (ii) 40% will be payable within 30 days upon all aluminum frames transported to the construction site of the relevant power stations; (iii) 40% will be payable within 30 days after completed installation of the aluminum frames; and (iv) the remaining 10% will be retained as the quality warranty, and will only be payable within 30 days after the issuance of the final acceptance certificate by the Purchaser.

## **REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS**

The aluminum frames are required to procure for the construction of the photovoltaic power stations of the Group. The award of the Aluminum Frames Purchase Framework Agreement was determined by competitive tendering processes. The consideration of the aluminum frames procurement is compatible to the prevailing rates or at better terms than those provided by other suppliers for the comparable products in the market. The Directors are of the view that the consideration and the terms of the Aluminum Frames Purchase Framework Agreement are no less favourable to the Group than those available from independent third parties.

The Directors are of the view that Ningxia Aluminum not only has the specific product qualification certificate of aluminum alloy frames for photovoltaic power generation, it also possesses the relevant experience and expertise in the aluminum frame production and equipment installation technology for the construction of the photovoltaic energy projects. In addition, the Aluminum Frames Purchase Framework Agreement is essential to ensure the successful completion of the Projects.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Aluminum Frames Purchase Framework Agreement is entered into in the ordinary course of the business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the transactions of the Aluminum Frames Purchase Framework Agreement or is required to abstain from voting on the Board resolution.

## **PRINCIPAL BUSINESS OF THE GROUP, CP GUORUI AND NINGXIA ALUMINUM**

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 owns approximately 55.61% of the issued share capital of the Company through CPI Holding.

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, photovoltaic power and other clean energy power plants.

CP Guorui is a wholly-owned subsidiary of the Company, is principally engaged in the wholesale of coal, metals, chemical products and building materials and the provision of technical consultancy services.

Ningxia Aluminum is an indirect subsidiary of SPIC established in 2001 which is principally engaged in production and sale of aluminum materials, processing aluminum products and sale of processing equipment. Ningxia Aluminum possesses advanced aluminum production equipment and technology and is holding the product qualification certificates for its fixed aluminum alloy frames for photovoltaic power generation and aluminum alloy cable trays in the PRC.

## COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, SPIC owns approximately 55.61% 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 Ningxia Aluminum is an indirect subsidiary of SPIC, Ningxia Aluminum is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Aluminum Frames Purchase Framework Agreement constitute connected transactions 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 transactions contemplated under the Aluminum Frames Purchase Framework Agreement exceed 0.1% but fall below 5%, therefore the transactions are subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“aluminum frames”	fixed aluminum alloy frames for construction use
“Aluminum Frames Purchase Framework Agreement” or “Framework Agreement”	the framework agreement for the purchase of aluminum frames entered into between CP Guorui and Ningxia Aluminum dated 1 August 2016
“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
“CP Guorui” or “Purchaser”	China Power Guorui Logistics Company Limited* (中電國瑞物流有限公司), a company incorporated in PRC with limited liability and a wholly-owned subsidiary of the Company
“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
“Ningxia Aluminum” or “Supplier”	CPI Ningxia Energy Aluminum Engineering Maintenance Company Limited* (中電投寧夏能源鋁業工程檢修有限公司), a company incorporated in PRC with limited liability and an indirect wholly-owned subsidiary of SPIC
“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
“Projects”	the projects which involve the construction of photovoltaic power stations in the PRC being carried out by the Company’s subsidiaries, including but not limited to Huainan China Power Jiaoganghu Photovoltaic Power Generating Company Limited* (淮南中電焦光湖光伏發電有限責任公司), Datong China Power Photovoltaic Power Generating Company Limited* (大同中電光伏發電有限公司), Shanxi Shentou Electric Power Company Limited (山西神頭發電有限責任公司), Pingdingshan Zhongdian Solar Power Co., Ltd.* (平頂山中電光伏發電有限公司) and Hubei China Power Ziguang New Energy Company Limited* (湖北中電智光新能源有限公司)
“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 known 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 RMB0.85 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 August 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.*