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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)**

### **Termination of agreement in relation to the acquisitions of Guangdong Company and Sihui Company**

Reference is made to the announcement dated 9 October 2017 (the “Announcement”) and the circular dated 23 October 2017 (the “Circular”) of China Power International Development Limited (the “Company”) for the major and connected transactions in relation to the acquisitions of the entire equity interest in the Target Companies (the “Acquisitions”). Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the Announcement and the Circular.

Reference is also made to the announcements of the Company dated 31 May 2018 and 21 December 2018 in relation to the partial completion of the Acquisitions, thereby the acquisitions of the entire equity interest in Guangxi Company, Shandong Company, Anhui Company, Hubei Company and Shouxian Company were completed.

#### **Termination Agreement**

On 30 August 2019, the Company and CPI Holding entered into an agreement to terminate the acquisitions of the entire equity interest in the remaining two of the Target Companies I, namely Guangdong Company and Sihui Company (the “Termination Agreement”) under Agreement I. Both these two companies are principally engaged in the development, investment and operation of natural gas power plants in China. The rapid changes in the market conditions of natural gas power generation since last year has adversely impacted the financial position of these two companies.

Pursuant to the Termination Agreement, both parties mutually agreed not to proceed with the acquisitions of the entire equity interest in Guangdong Company and Sihui Company, and all the obligations of the parties under Agreement I in relation to the acquisitions of these two companies shall cease and be null and void save for any right or liability accrued before the termination and the preferential right to acquire these two companies by the Company in future. Further, the Termination Agreement shall also not in any way affect the effectiveness of the equity transfer of Guangxi Company under Agreement I.

## Final consideration of the Acquisitions after the Termination Agreement

|                     | Consideration<br>(RMB'000) | Consideration<br>(RMB'000) | Completion<br>announcement date |
|---------------------|----------------------------|----------------------------|---------------------------------|
| <i>Agreement I</i>  |                            |                            |                                 |
| - Guangxi Company   |                            | 3,594,652                  | 31 May 2018                     |
| <i>Agreement II</i> |                            |                            |                                 |
| - Shandong Company  | 60,598                     |                            | 31 May 2018                     |
| - Anhui Company     | 268,065                    |                            | 21 December 2018                |
| - Hubei Company     | 94,995                     |                            | 21 December 2018                |
| - Shouxian Company  | 5,347                      |                            | 21 December 2018                |
| Sub-total           |                            | 429,005                    |                                 |
| <b>Total</b>        |                            | <b>4,023,657</b>           |                                 |

The net proceeds from the rights issue of the Company in 2017 of HK\$4,411,284,000 (equivalent to RMB3,734,047,000)\* was applied to settle the consideration of the Acquisitions in accordance with the "Use of Proceeds" as stated in the Company's announcement dated 8 November 2017.

The Board considers that the Termination Agreement is in the interests of the Company and its Shareholders as a whole and has no material effect on the existing business operation or financial position of the Group.

\* *Regarding the net proceeds from the rights issue the Company received in December 2017, please refer to Note 29(a) in the notes to the consolidated financial statements of the Company's 2017 annual report on page 155.*

By Order of the Board  
**China Power International Development Limited**  
**Tian Jun**  
*Executive Director*

Hong Kong, 2 September 2019

*As at the date of this announcement, the directors of the Company are: executive director Tian Jun, non-executive directors Guan Qihong and Wang Xianchun, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Yau Ka Chi.*