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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 under the Companies Ordinance)

(Stock Code: 2380)

- (1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF 100% INTEREST IN WUHU ELECTRIC POWER
(2) ISSUE OF SHARES UNDER SPECIAL MANDATE
(3) CONTINUING CONNECTED TRANSACTIONS - LISTING RULE 14A.41
(4) AMENDMENT OF THE ASSETS MANAGEMENT AGREEMENT**

Financial Adviser

CREDIT SUISSE 

The Board is pleased to announce its proposed acquisition of Wuhu Electric Power from CPI Holding.

On 12 October 2013, the Company entered into the Acquisition Agreement with CPI Holding, pursuant to which the Company conditionally agreed to acquire and CPI Holding conditionally agreed to sell 100% of the equity interest in Wuhu Electric Power, a company principally engaged in electricity generation in Anhui Province, the PRC. The consideration is RMB 1,450,000,000 (equivalent to approximately HK\$1,835,443,038).

The consideration is to be satisfied as to 85% thereof (or RMB 1,232,500,000) by the issue of the Consideration Shares and as to 15% thereof (or RMB 217,500,000) by way of cash payment.

LISTING RULE IMPLICATIONS

As the highest of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules in respect of the Acquisition is over 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Furthermore, as CPI Holding is the controlling shareholder of the Company interested in approximately 60.76% of the issued share capital as at the date of this announcement, the Acquisition also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the approval of the Independent Shareholders at the EGM.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, apart from CPI Holding, CPDL and their Associates, no other Shareholder will be required to abstain from voting on the resolution for approving the Acquisition at the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to consider the Acquisition, and Quam Capital has been appointed as the Company's independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Acquisition Agreement are fair and reasonable and whether the Acquisition is in the interests of the Company and the Shareholders as a whole.

GRANT OF SPECIAL MANDATE

The Directors will seek the approval of the Independent Shareholders for the grant of the Special Mandate to authorise the Directors to allot and issue the Consideration Shares at the EGM.

CONTINUING CONNECTED TRANSACTIONS UNDER LISTING RULE 14A.41

Wuhu Electric Power will become part of the Enlarged Group upon completion of the Acquisition. As a result, the coal supply agreements between Wuhu Electric Power and two connected persons of the Company (namely Huainan Mining and Shanghai Chinacoal East China) entered into prior to completion of the Acquisition will become continuing connected transactions for the Company upon completion of the Acquisition. Details of these coal supply agreements are disclosed in this announcement pursuant to Rule 14A.41 of the Listing Rules.

AMENDMENT OF THE ASSETS MANAGEMENT AGREEMENT

Reference is made to the announcement of the Company dated 17 December 2012 in relation to the Seventh Supplemental Assets Management Agreement between the Company and CPI Holding, pursuant to which the Company manages certain power plants (including Wuhu Electric Power) for CPI Holding in return for a management fee, which constitutes a continuing connected transaction of the Company.

Given that Wuhu Electric Power will become part of the Enlarged Group upon completion of the Acquisition, the Company expects to amend the Assets Management Agreement after completion of the Acquisition.

GENERAL

A circular containing, among other matters, (i) details of the Acquisition; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Acquisition; and (iv) a notice to convene the EGM will be despatched to the Shareholders on or before 4 November 2013.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

As completion of the Acquisition is subject to the fulfilment of the conditions set out in the Acquisition Agreement, the Acquisition may or may not proceed. Investors should exercise caution when dealing in the Shares. When in doubt, investors are recommended to consult their professional adviser(s).

The Board is pleased to announce its proposed acquisition of Wuhu Electric Power from CPI Holding.

I. THE ACQUISITION

A. BACKGROUND

On 12 October 2013, the Company entered into the Acquisition Agreement with CPI Holding, pursuant to which the Company conditionally agreed to acquire and CPI Holding conditionally agreed to sell 100% of the equity interest in Wuhu Electric Power, a company principally engaged in the electricity generation in Anhui Province, the PRC. The consideration is RMB 1,450,000,000 (equivalent to approximately HK\$1,835,443,038).

B. THE ACQUISITION AGREEMENT

1. Date

12 October 2013

2. Parties

(i) CPI Holding (as the seller)

(ii) The Company (as the purchaser)

3. Target to be acquired

The Company has conditionally agreed to acquire from CPI Holding 100% of the equity interest in Wuhu Electric Power as at the date of the Acquisition Agreement. Further details of the Wuhu Group are set out in the section headed “Information on the Wuhu Group” below.

The Company shall be entitled to exercise all rights attached or accruing to the Equity Interest including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by Wuhu Electric Power on or after 1 July 2013.

4. Consideration and payment terms

The consideration for the Acquisition is RMB 1,450,000,000 (equivalent to approximately HK\$1,835,443,038).

The consideration was determined based on arm’s length negotiations between the Company and CPI Holding under the Acquisition Agreement. A number of factors were considered by the parties when determining the consideration of the Acquisition Agreement, including, among other things, (i) the price to earnings ratios of comparable companies listed on and/or transactions published through the Stock Exchange; (ii) the profitability of the Wuhu Group; (iii) the potential growth and prospects of the Wuhu Group; and (iv) the terms of the Acquisition Agreement.

The consideration is to be satisfied as to 85% thereof (or RMB 1,232,500,000) by the issue of the Consideration Shares (discussed further in section 5 “Consideration Shares” below) and as to 15% thereof (or RMB 217,500,000) by way of payment of cash, both on the Completion Date. The Company proposes to fund the cash portion of the consideration out of its internal resources.

The Directors are of the view that the consideration for the purchase of the Equity Interest and the other terms of the Acquisition Agreement are fair and reasonable, on normal commercial terms and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

5. Consideration Shares

The issue price of the Consideration Shares is HK\$2.88, being the average of the closing share price as quoted on the Stock Exchange for the 30 trading days prior to (but excluding) the date of the Acquisition Agreement.

As at the date of this announcement, there are 5,808,680,502 Shares in issue. The total number of the Consideration Shares to be issued represents approximately 9.33% of the existing issued share capital and 8.53% of the enlarged issued share capital of the Company.

The Consideration Shares, when issued, will rank *pari passu* in all respects with the Shares on the date of the issue of Consideration Shares.

6. Conditions precedent of the Acquisition Agreement

Completion of the Acquisition Agreement is conditional upon satisfaction of, among other things, the following conditions on or before 30 September 2014 or any other date as agreed by the parties:

- (A) the completion of commercial, financial and legal due diligence on assets and liabilities, business and prospects of the Wuhu Group to the reasonable satisfaction of the Company;
- (B) the obtaining of all necessary pre-approvals for the Acquisition from the government departments (other than the administrative procedures which can only be carried out at or after the completion of the Acquisition);
- (C) the approval by the board of directors of Wuhu Electric Power of the transfer of Equity Interest under the Acquisition Agreement;
- (D) the obtaining of approval from CPI Holding's parent, CPI Group, of the Acquisition Agreement and the transactions completed thereunder;
- (E) the passing of an ordinary resolution by the Independent Shareholders approving the Acquisition Agreement and the transactions completed thereunder;
- (F) the passing of an ordinary resolution by the Independent Shareholders approving the grant of the Special Mandate;
- (G) there not having been any material adverse change to the financial condition, business operations or prospects of the Wuhu Group since 30 June 2013;

- (H) the warranties and representations made by CPI Holding are true and accurate and not misleading in any material respect at the time of the completion of the Acquisition;
- (I) the warranties and representations made by the Company are true and accurate and not misleading in any material respect at the time of completion of the Acquisition; and
- (J) the completion of all relevant legal documentation for the Acquisition in form satisfactory to both the Company and CPI Holding.

7. Board representation

Upon completion of the Acquisition, the Company will have the power to appoint all of the directors of the board of Wuhu Electric Power in accordance with PRC laws.

8. Completion

Completion will take place within 20 Business Days or on a date as agreed by the parties upon fulfilment of all the above conditions precedent (the last day on which all the conditions must be satisfied being 30 September 2014 or any other date as agreed by the parties).

9. Termination

The Company may terminate the Acquisition Agreement by written notice to CPI Holding if prior to completion of the Acquisition:

- (i) there has been any material breach of the Acquisition Agreement by CPI Holding;
- (ii) there has been any material breach of the warranties and representations made by CPI Holding; or
- (iii) there has been or may be any material adverse effect to the business, financial position or prospects of Wuhu Electric Power.

CPI Holding may terminate the Acquisition Agreement by written notice to the Company if prior to completion of the Acquisition:

- (i) there has been any material breach of the Acquisition Agreement by the Company; or
- (ii) there has been any material breach of the warranties and representations made by the Company.

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

After the completion of the Acquisition, the attributable installed capacity of the Group as of June 30, 2013 will increase from approximately 12,963MW to approximately 14,283MW. Wuhu Electric Power has two environmental friendly and energy-saving ultra super-critical coal-fired generating units, each with a capacity of 660MW. Made by advanced technology, these units have a long service life and a good operational track record. It is the Company's development strategy to promote and expand large-capacity and high-parameter coal-fired power generation unit projects. The Company believes that its business will be enhanced through the Acquisition which would help expand its operational scale and improve the quality of its assets.

Wuhu Electric Power has achieved strong financial performance in year 2012 and the first half of 2013 since its two high capacity power generating units commenced full operation. During this period, the average utilisation hours of its power generating units out-performed those of the other generating units in the same region. The Company believes that the Acquisition will enhance the Company's overall profitability, return on equity and capital structure.

The Acquisition also allows the Company to strengthen its presence in the power generation market in Anhui Province, a region with high economic growth prospects in recent years with potential increase in demand for electricity.

Based on the above factors, the Directors consider that the Acquisition will be beneficial to the Company and will have a positive impact on the Company's future prospects, thus benefiting the Company and the Shareholders as a whole.

D. INFORMATION ON THE WUHU GROUP

Wuhu Electric Power is a wholly owned subsidiary of CPI Holding. It was incorporated in the PRC in November 2003 as a foreign investment enterprise with limited liability and a registered capital of US\$142,500,000.

It currently holds two 660MW ultra super-critical coal-fired power generating units located in Wuhu City of Anhui Province in the PRC, which commenced commercial operation in December 2010 and December 2011, respectively. All electricity generated by Wuhu Electric Power is sold to the State Grid Corporation of China. As of 30 June 2013, there were approximately 1,300 employees based on the internal records of Wuhu Electric Power.

Wuhu Electric Power has only one subsidiary, Wuhu Shaoda, which is wholly-owned by Wuhu Electric Power. Its two 125MW coal-fired generating units ceased operation in July 2010 in order to meet the “Big Replaces Small” policy requirements of the National Development and Reform Commission. In return for the shutting down of the two small capacity generating units, Wuhu Shaoda received a 3-year compensation payment from 2011 to 2013. Wuhu Shaoda will be dissolved after the expiry of the compensation period at the end of 2013.

Wuhu Electric Power is located in the power grid load centres of Anhui Province in the PRC. In the first half of 2013, the total amount of electricity generated by Wuhu Electric Power was approximately 3,758,000 MWh. The average utilisation was approximately 2,847 hours, 164 hours higher than that for coal-fired power generating units in Anhui Province, and 110 hours higher than that for similar generating units in the region. Wuhu Electric Power is currently at the preliminary stage of expanding its construction project in relation to the two 1,000MW ultra super-critical coal-fired generating units.

In recent years, Anhui Province has experienced relatively rapid economic growth with potential increase in demand for electricity. In the first half of 2013, 69,340,000 MWh of electricity was consumed in Anhui Province, representing a year-on-year increase of 8.3%. Comparing this figure with the year-on-year increase in electricity consumption in the PRC during the same period, which was 5.1%, the electricity demand in Anhui Province indicated greater growth than the other parts of the country. The total installed capacity for Anhui Province was 36,553MW (including the power generating units from Anhui Province to Eastern China), in which coal-fired electricity generating units accounted for 32,077MW. The average utilisation of coal-fired electricity generating facilities of Anhui Province in the first half of 2013 was 2,683 hours, which was relatively higher than the country’s overall average utilisation of 2,412 hours for coal-fired electricity generating units during the same period.

Set out below are extracts of the Wuhu Group’s consolidated financial statements for each of the years ended 31 December 2011 and 2012 and each of the six months ended 30 June 2012 and 2013 which were prepared based on the accounting principles generally accepted in the PRC:

Extracts of consolidated income statements of the Wuhu Group

	For six months		For the year	
	ended 30 June		ended 31 December	
	2013	2012	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>
Revenue	1,424,480	1,214,810	2,949,228	1,571,040
Profit/(loss) before or after taxation (attributable to shareholders of Wuhu Electric Power)	161,853	(21,382)	176,554	(81,471)

Extracts of consolidated balance sheets of the Wuhu Group

	As at		As at	
	30 June		31 December	
	2013	2012	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
Total assets	4,819,408	5,101,406	5,272,766	
Net asset value	754,092	663,033	616,494	

As of June 30, 2013, Wuhu Electric Power owed CPI Holding an outstanding amount of approximately RMB 93,950,000 (the “**Wuhu Electric Power Debt**”). The parties have agreed that the Wuhu Electric Power Debt will be repaid by Wuhu Electric Power before the completion of the Acquisition unless agreed otherwise.

E. INFORMATION ON THE COMPANY, CPI HOLDING AND CPI GROUP

The Company is the listed flagship company of CPI Holding outside 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 and hydro-power plants. The Company also manages on behalf of its controlling shareholder two other power plants in the PRC, one of which is Wuhu Electric Power.

CPI Holding is a Hong Kong incorporated company focusing on power-related assets investment and development in China and abroad. CPI Group is one of the five state-owned power generation groups in China, and operates coal-fired, hydropower and nuclear power plants in various locations in the PRC. CPI Holding is wholly-owned by CPI Group. As at the date of this announcement, CPI Group, through CPI Holding, owns approximately 60.76% of the issued share capital of the Company as at the date of this announcement.

F. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE ISSUE OF CONSIDERATION SHARES

Set out below is the shareholding structure of the Company as at the date of this announcement and the possible shareholding structure immediately after the allotment and issue of Consideration Shares.

Shareholders	As at the date of this announcement		Upon allotment and issue of the Consideration Shares on the assumption as set out in Note 1	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
CPDL	1,996,500,000	34.37	1,996,500,000	31.44
CPI Holding (Note 2)	3,529,327,927	60.76	4,071,038,546	64.11
CPI Group (Note 3)	3,529,327,927	60.76	4,071,038,546	64.11
Public	<u>2,279,352,575</u>	<u>39.24</u>	<u>2,279,352,575</u>	<u>35.89</u>
Total	<u>5,808,680,502</u>	<u>100</u>	<u>6,350,391,121</u>	<u>100</u>

Notes:

1. Assuming none of the share options and convertible bonds is exercised on or before the date of the allotment and issue of the Consideration Shares. As at the date of this announcement, the Company has 37,730,900 new Shares which may be issued pursuant to the outstanding share options and 924,874,161 new Shares which may be issued pursuant to the outstanding convertible bonds based on the current conversion price.
2. As at the date of this announcement, CPI Holding is the beneficial owner of 1,532,827,927 Shares. Further, CPI Holding is the beneficial owner of CPDL and therefore CPI Holding is deemed to be interested in Shares owned by CPDL for the purposes of the SFO.
3. CPI Group is the beneficial owner of CPI Holding and therefore CPI Group is deemed to be interested in the Shares owned by CPI Holding for the purposes of the SFO.

II. LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules in respect of the Acquisition is over 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Furthermore, as CPI Holding is the controlling shareholder of the Company interested in approximately 60.76% of the issued share capital, the Acquisition also constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the approval of the Independent Shareholders at the EGM.

Credit Suisse (Hong Kong) Limited is the financial adviser to the Company.

An Independent Board Committee comprising all the independent non-executive Directors, namely, Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec, has been formed to consider the Acquisition, and Quam Capital has been appointed as the Company's independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Acquisition Agreement are fair and reasonable and whether the Acquisition is in the interests of the Company and the Shareholders as a whole.

III. GRANT OF SPECIAL MANDATE

The Directors will seek the approval of the Independent Shareholders for the grant of the Special Mandate to authorise the Directors to allot and issue the Consideration Shares at the EGM.

IV. CONTINUING CONNECTED TRANSACTIONS UNDER LISTING RULE 14A.41

Wuhu Electric Power will become part of the Enlarged Group upon completion of the Acquisition. As a result, the coal supply agreements between Wuhu Electric Power and connected persons of the Company (namely Huainan Mining and Shanghai Chinacoal East China) entered into prior to completion of the Acquisition will become continuing connected transactions for the Company upon completion of the Acquisition. Details of these coal supply agreements are disclosed in this announcement pursuant to Rule 14A.41 of the Listing Rules.

Principal terms of the transactions

(1) Huainan Mining Coal Supply Agreement

On 1 January 2013, Wuhu Electric Power entered into a coal supply agreement with Huainan Mining Group in relation to the supply of coal (“**Huainan Mining Coal Supply Agreement**”). Subsequently, the two parties entered into a supplementary agreement (“**Huainan Mining Coal Supply Supplementary Agreement**”) on 24 January 2013. The principal terms of the Huainan Mining Coal Supply Agreement, as supplemented by the Huainan Mining Coal Supply Supplementary Agreement, are set out below.

Date:	1 January 2013 (Huainan Mining Coal Supply Agreement), as amended by the Huainan Mining Coal Supply Supplementary Agreement dated 24 January 2013
Parties:	(i) Wuhu Electric Power (as the purchaser) (ii) Huainan Mining (as the supplier)
Term:	One year from 1 January 2013 to 31 December 2013
Total quantity of coal to be supplied:	400,000 tonnes
Consideration:	RMB 226,000,000
Payment terms:	Payments to be settled in cash in two equal amounts in the middle and at the end of each month.

The terms of the Huainan Mining Coal Supply Agreement were arrived at after arm’s length negotiations between Wuhu Electric Power and Huainan Mining.

Huainan Mining is a substantial shareholder of Huanggang Dabieshan Power Company Limited* and Huainan Pingwei No. 2 Electric Power Co., Ltd., both of which are subsidiaries of the Company. Therefore, Huainan Mining is a connected person of the Company at the subsidiary level under the Listing Rules. As a result of the completion of the Acquisition, the transactions contemplated under the Huainan Mining Coal Supply Agreement will become continuing connected transactions of the Company.

(2) Shanghai Chinacoal East China Coal Supply Agreement

On 1 January 2013, Wuhu Electric Power entered into a coal supply agreement with Shanghai Chinacoal East China in relation to the supply of coal (“**Shanghai Chinacoal East China Coal Supply Agreement**”). The principal terms of the Shanghai Chinacoal East China Coal Supply Agreement are set out below.

Date:	1 January 2013
Parties:	(i) Wuhu Electric Power (as the purchaser) (ii) Shanghai Chinacoal East China (as the supplier)
Term:	One year from 1 January 2013 to 31 December 2013
Total quantity of coal to be supplied:	400,000 tonnes
Consideration:	RMB 220,000,000
Payment terms:	Prepayment must be made before the cargo vessel arrives at the port of loading. In the event that the prepayment exceeds the actual settlement amount, Shanghai Chinacoal East China is required, subject to the request of Wuhu Electric Power, refund the amount in excess to the original payment account or directly set-off the excessive amount against the amount of next shipment. If the actual settlement amount exceeds the prepayment, Wuhu Electric Power is required to make up for the shortfall within seven working days upon the departure of the cargo vessel from the port of loading.

The terms of the Shanghai Chinacoal East China Coal Supply Agreement were arrived at after arm’s length negotiations between Wuhu Electric Power and Shanghai Chinacoal East China.

As China Coal Energy is a substantial shareholder of China Power Shentou Power Generating Company Limited, a 80%-owned subsidiary of the Company, it is a connected person of the Company at the subsidiary level under the Listing Rules. Given that Shanghai Chinacoal East China is a subsidiary of China Coal Energy, it is also a connected person of the Company. As a result of the completion of the Acquisition, the transactions contemplated under the Shanghai Chinacoal East China Coal Supply Agreement will become continuing connected transactions of the Company.

The Directors (including the independent non-executive Directors) are of the view that the Huainan Mining Coal Supply Agreement and the Shanghai Chinacoal East China Coal Supply Agreement were 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 the Shareholders as a whole.

V. AMENDMENT OF THE ASSETS MANAGEMENT AGREEMENT

Reference is made to the announcement of the Company dated 17 December 2012 in relation to the Seventh Supplemental Assets Management Agreement between the Company and CPI Holding, pursuant to which the Company would manage certain power plants (including Wuhu Electric Power) for CPI Holding in return for a management fee, which constitutes a continuing connected transaction of the Company. Given that Wuhu Electric Power will become part of the Enlarged Group upon the completion of the Acquisition, the Company expects to amend the Assets Management Agreement after completion of the Acquisition.

Subsequent to the completion of the Acquisition, the Company will publish further announcements, if and when necessary, in respect of any non-exempted continuing connected transactions as required by the Listing Rules.

VI. GENERAL

An EGM is currently scheduled to be held in November 2013 during which an ordinary resolution will be proposed to the Shareholders to approve (i) the Acquisition Agreement and the transaction contemplated thereunder and (ii) the Special Mandate. CPI Holding, CPDL and their Associates, being connected persons in respect of the Acquisition, will abstain from voting on the ordinary resolution to approve (i) the Acquisition Agreement and the transaction contemplated thereunder and (ii) the Special Mandate. Any vote of the Independent Shareholders at the EGM will be taken by poll.

A circular containing, among other matters, (i) details of the Acquisition; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Acquisition; and (iv) a notice to convene the EGM will be despatched to the Shareholders on or before 4 November 2013.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

As completion of the Acquisition is subject to the fulfilment of the conditions set out in the Acquisition Agreement, the Acquisition may or may not proceed. Investors should exercise caution when dealing in the Shares. When in doubt, investors are recommended to consult their professional adviser(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the proposed acquisition by the Company of the Equity Interest pursuant to the Acquisition Agreement, as further described in this announcement
“Acquisition Agreement”	the share purchase agreement dated 12 October 2013 entered into by the Company and CPI Holding in relation to the Acquisition
“Assets Management Agreement”	the agreement entered into by the Company, CPI Group and CPI Holding on 27 August 2004 pursuant to which the Company manages certain power plants for CPI Holding as amended by the subsequent supplemental management agreements
“Associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Business Day”	any normal working day other than a Saturday, Sunday or a statutory holiday in the PRC or Hong Kong
“Chairman”	the chairman of the Board
“China Coal Energy”	China Coal Energy Company Limited* (中國中煤能源股份有限公司), a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Stock Exchange and the Shanghai Stock Exchange
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Completion Date”	a date within 20 Business Days or other date as agreed by the parties upon fulfilment of all the conditions precedent of the Acquisition Agreement
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Consideration Shares”	the 541,710,619 new Shares to be allotted and issued to CPI Holding at HK\$2.88 per Share as part of the consideration pursuant to the Acquisition Agreement
“CPDL”	China Power Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CPI Holding, which directly holds approximately 34.37% of the equity interest in the Company as at the date of this announcement
“CPI Group”	China Power Investment Corporation* (中國電力投資集團公司), the ultimate controlling company of the Company and a wholly State-owned enterprise established by the State Council of the PRC* (中華人民共和國國務院)
“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 CPI Group
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Acquisition Agreement and the transaction contemplated thereunder
“Enlarged Group”	the Group as enlarged by the Acquisition
“Equity Interest”	100% of the equity interest in Wuhu Electric Power to be sold by CPI Holding pursuant to the Acquisition Agreement
“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 People’s Republic of China
“Huainan Mining”	Huainan Mining Industry (Group) Company Limited* (淮南礦業(集團)有限責任公司), a wholly State-owned enterprise established by the State Council of the PRC* (中華人民共和國國務院)
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec
“Independent Shareholder(s)”	Shareholder(s) of the Company other than CPI Holding, CPDL and their Associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MW”	megawatt, that is, one million watts, a standard unit of the installed capacity of a power plant
“MWh”	megawatt-hour, which is equal to one thousand kilowatt-hour, a standard unit of energy used in the electric power industry
“percentage ratio(s)”	the percentage ratio(s) set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC” or “China”	the People’s Republic of China, not including Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Quam Capital”	Quam Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Seventh Supplemental Assets Management Agreement”	the seventh supplemental agreement to the Assets Management Agreement entered into between the Company and CPI Holding on 17 December 2012

“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Shanghai Chinacoal East China”	Shanghai Chinacoal East China Company Limited* (上海中煤華東有限公司), a wholly-owned subsidiary of China Coal Energy incorporated in the PRC with limited liability
“Share(s)”	the share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	person(s) whose name(s) appear on the register of members of the Company as registered holder(s) of Share(s)
“Special Mandate”	the special mandate to authorise the Directors to allot and issue Shares to be sought from the Independent Shareholders at the EGM to satisfy the allotment and issue of the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States
“Wuhu Electric Power”	Wuhu Electric Power Generating Company Limited* (蕪湖發電有限責任公司), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and a wholly-owned subsidiary of CPI Holding
“Wuhu Group”	Wuhu Electric Power and its sole and wholly-owned subsidiary, Wuhu Shaoda
“Wuhu Shaoda”	Wuhu Shaoda Power Development Company Limited* (蕪湖兆達電力開發有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Wuhu Electric Power
“%”	per cent

* *English names of the PRC entities are the literal translations of their Chinese names and are included for identification purposes only.*

This announcement contains translation between Renminbi and Hong Kong dollars at RMB 0.79 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
Li Xiaolin
Chairman

Hong Kong, 14 October 2013

As at the date of this announcement, the directors of the Company are: executive directors Li Xiaolin and Gu Dake, non-executive directors Guan Qihong and Wang Zichao, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec.