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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)

CONTINUING CONNECTED TRANSACTION

Renewal of a Lease Agreement by Wu Ling Power

The Board announces that Wu Ling Power (a 63%-owned subsidiary of the Company) entered into the Wu Ling Lease Agreement on 20 December 2013 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 and CPI Holding is the controlling shareholder of the Company which is interested in approximately 63.57% of the issued share capital of the Company. Accordingly, Qian Dong Power is a connected person of the Company within the meaning of the Listing Rules. As such, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of 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 two financial years ending 31 December 2014 and 2015 is RMB54,110,000 (equivalent to approximately HK\$68,493,671), excluding the value added tax. The applicable percentage ratios as defined under Chapter 14 of the Listing Rules exceed 0.1% but less than 5%. Accordingly, the Wu Ling Lease Agreement is subject to announcement and reporting requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 8 June 2012 in relation to the transmission lines and switching station lease agreement which will expire on 31 December 2013.

The Board announces that Wu Ling Power entered into the Wu Ling Lease Agreement on 20 December 2013 with Qian Dong Power in relation to the renewal of a tenancy of the Transmission Lines and Switching Facilities.

WU LING LEASE AGREEMENT

Date

20 December 2013

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 from 1 January 2014 to 31 December 2015.
- 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\$68,493,671), 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 AND BENEFITS FOR THE TRANSACTION

Before the Group completed the acquisition of Wu Ling Power by the end of 2009, 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. The last transmission lines and switching station lease agreement signed by Wu Ling Power and Qian Dong Power on 8 June 2012 is due to expire on 31 December 2013, both parties agreed to renew the lease for two 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.

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.

PRINCIPAL BUSINESS OF THE GROUP AND CPI HOLDING

The Company is the listed flagship company outside the PRC of CPI Group. The CPI Group is one of the five national power generation groups in China, and operates coal-fired, hydroelectric 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 63.57% 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 and hydro-power plants. The Company also manages on behalf of its controlling shareholder a power plant in the PRC.

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 in Hunan and Guizhou.

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 development, construction, and operation and management of electric power.

COMPLIANCE WITH THE LISTING RULES

Qian Dong Power is a non-wholly owned subsidiary of CPI Holding and CPI Holding is the controlling shareholder of the Company which is interested in approximately 63.57% of the issued share capital of the Company. Accordingly, Qian Dong Power is a connected person of the Company within the meaning of the Listing Rules. As such, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of 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 two financial years ending 31 December 2014 and 2015 is RMB54,110,000 (equivalent to approximately HK\$68,493,671), excluding the value added tax. The applicable percentage ratios as defined under Chapter 14 of the Listing Rules exceed 0.1% but less than 5%. Accordingly, the Wu Ling Lease Agreement is subject to announcement and reporting requirements but is exempted 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:

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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 Group” | China Power Investment Corporation* (中國電力投資集團公司), a wholly State-owned enterprise established by the State Council of the PRC* (中華人民共和國國務院), the ultimate controlling company 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 CPI Group |
| “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” or “China” | the People’s Republic of China. Geographical reference in this announcement to the PRC or China 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 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “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 20 December 2013 |
| “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 RMB0.79 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, 20 December 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.