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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)**

### **INSIDE INFORMATION**

#### **Disposal of Listed Securities**

The Board announces that on 25 and 26 May 2015, the Company disposed of 40,173,628 Shanghai Power Shares on the open market at the price between RMB32.40 to RMB35.17 per share for an aggregated gross sale proceeds of approximately RMB1,332,384,000 (approximately equivalent to HK\$1,686,562,000).

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **THE DISPOSAL**

##### **Date**

25 and 26 May 2015

##### **Parties**

Seller: the Company

Purchaser: Unknown independent third parties

The Disposal has been made on the open market and the Company is not aware of the identities of the purchasers. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers involved in the Disposal was a third party independent of the Company and its connected persons (as defined in the Listing Rules).

## **Assets disposed of**

In aggregate, the Company disposed of 40,173,628 Shanghai Power Shares at the price between RMB32.40 to RMB35.17 per share, representing approximately 1.88% of the total issued share capital of Shanghai Power (being 2,139,739,257 shares as at 26 May 2015 according to the publicly available information).

## **Consideration**

The aggregate gross sale proceeds of the Disposal is approximately RMB1,332,384,000 (equivalent to approximately HK\$1,686,562,000), after deducting transaction costs of approximately RMB1,890,000, which will be receivable in cash on settlement. The consideration for the Disposal represented the market price of Shanghai Power Shares at the time of the Disposal.

## **FINANCIAL EFFECT OF THE DISPOSAL**

The interest in Shanghai Power held by the Company is currently classified in the financial statements as “Available-for-sale financial assets”. As at 31 December 2014, the fair value of the Company’s interest in Shanghai Power was approximately RMB3,151,068,000 (equivalent to approximately HK\$3,988,694,000), representing 18.86% stake in Shanghai Power.

As a result of the Disposal, the Company is expected to recognise an estimated net gain of approximately RMB0.83 billion (equivalent to approximately HK\$1.05 billion) calculated on the basis of the difference between the consideration of the Disposal and the carrying value of such shares as at 31 December 2014, together with their proportional revaluation reserve less transaction costs and any tax effect. The net gain will be recognised in the consolidated income statement of the Group.

The Company’s interest in Shanghai Power will be reduced from 18.86% of its total issued share capital at present to 16.98% after the Disposal.

## **USE OF PROCEEDS**

The Company expects to use the net sale proceeds of the Disposal principally for repayment of the Group’s existing borrowings, general working capital and other purposes as deemed appropriate by the Board.

## **REASONS AND BENEFITS OF THE DISPOSAL**

Taking into account the current market conditions in the A share market, the Company's long-term strategic objectives, and to enhance the liquidity and reduce gearing of the Group, the Board considered that the Disposal represented an opportunity to realise part of the Company's investment in Shanghai Power.

As the Disposal was made on the open market at the prevailing price of Shanghai Power Shares at the time of Disposal, the Directors (including the independent non-executive Directors) are of the view that the Disposal was fair and reasonable and in the interests of the Company and its shareholders taken as a whole.

## **INFORMATION ON SHANGHAI POWER**

Shanghai Power was established on 4 June 1998 and listed on the Shanghai Stock Exchange on 29 October 2003. It is principally involved in the production and supply of electricity and heat, and is the largest power producer in Shanghai in terms of total controlled installed capacity.

The Company initially acquired 390,876,250 shares in Shanghai Power at RMB4.26 per share for approximately RMB1.67 billion in 2006, representing 25% stake in Shanghai Power. In 2007, upon the conversion of the convertible bonds into new shares of Shanghai Power, the Company's interest in Shanghai Power was diluted from 25% to 21.92%. In 2008, Shanghai Power distributed bonus shares on the basis of 2 for 10 existing shares held to its shareholders, which increased the Company's shareholding in Shanghai Power to 469,051,500 shares. In 2010, the Company disposed of 65,585,707 shares in Shanghai Power, presenting 3.06% stake in Shanghai Power. The Company's interest in Shanghai Power was 18.86% of its total issued share capital before the Disposal.

For the year ended 31 December 2013, the net profit before tax of Shanghai Power was RMB2.10 billion and the net profit after tax was RMB1.74 billion based on its published financial statements. For the year ended 31 December 2013, the dividend income received on the Company's interest in Shanghai Power was RMB60.5 million; the dividend amount attributable to the Shanghai Power Shares that were disposed of (being 1.88% of the ordinary shares of Shanghai Power) was RMB6.0 million before tax and after tax.

For the year ended 31 December 2014, the net profit before tax of Shanghai Power was RMB2.50 billion and the net profit after tax was RMB1.95 billion based on its published financial statements. For the year ended 31 December 2014, the dividend income received on the Company's interest in Shanghai Power was RMB80.7 million; the dividend amount attributable to the Shanghai Power Shares that were disposed of (being 1.88% of the ordinary shares of Shanghai Power) was RMB8.0 million before tax and after tax.

## **INFORMATION ON THE COMPANY AND THE GROUP**

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 56.30% 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, hydropower and wind power plants.

## **LISTING RULES IMPLICATIONS**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **DEFINITIONS**

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

|               |  |
|---------------|--|
| “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   |
| “Disposal”    | the sale or disposal of 40,173,628 Shanghai Power Shares by the Company on the open market for an aggregated gross sale proceeds of approximately RMB1,332,384,000 on 25 and 26 May 2015     |

|                         |  |
|-------------------------|--|
| “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 references in this announcement to the PRC or China excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “RMB”                   | Renminbi, the lawful currency of the PRC   |
| “Shanghai Power”        | Shanghai Electric Power Co., Ltd.* (上海電力股份有限公司), a company incorporated in the PRC with limited liability and its shares are listed on the Shanghai Stock Exchange             |
| “Shanghai Power Shares” | ordinary shares with a nominal value of RMB1.00 each in the share capital of Shanghai Power which are listed and traded on the Shanghai Stock Exchange                         |
| “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 RMB0.79 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, 27 May 2015

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