



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)

Profit Warning

The Board announces that the Company's results for the period ended 30 June 2007 are expected to be significantly affected by rising coal price and unrealised loss in fair value of derivative component of the Convertible Bonds issued by Shanghai Power.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the "Board") of China Power International Development Limited (the "Company") announces that the Company's results for the period ended 30 June 2007 are expected to be affected by rising coal price which is one of the major components of the operating costs of the Company. In addition, the interim results will also be affected by the unrealised loss in fair value of derivative component of the convertible bonds issued by 上海電力股份有限公司(Shanghai Electric Power Co., Ltd.*) ("Shanghai Power").

As disclosed in the announcement of the Company dated 2 November 2006 (the "Announcement"), the Company acquired 25% of the issued shares of Shanghai Power which would become an associated company of the Company upon completion. It was also disclosed in the Announcement that on 22 June 2006, shareholders of the Shanghai Power had approved an issue of convertible bonds for an aggregate principal amount of RMB1,000 million with a term of 5 years (the "Convertible Bonds"). According to the terms of the Convertible Bonds, holders of the Convertible Bonds are eligible for conversion into new shares of Shanghai Power until maturity date after expiry of 6 months from the date of issue of 1 December 2006

and the conversion price of the Convertible Bonds can be amended when certain conditions are fulfilled. In accordance with the requirements of HKAS39, “Financial Instruments – Recognition and Measurement”, the Convertible Bond contract must be separated into two components: a derivative component consisting of the conversion option together with related put and call options and a liability component consisting of the straight debt element of the bonds. The derivative is carried at fair value on the balance sheet with any changes in fair value being charged or credited to the profit and loss account in the period when the changes occurs.

The Board expects that the change in fair value of the derivative of the Convertible Bonds will result in unrealised fair value loss for the period ended 30 June 2007 and such unrealised loss will significantly affected the Company’s interim results.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Power International Development Limited
Li Xiaolin
Vice Chairman and Chief Executive Officer

** English translation is for identification purpose only.*

Hong Kong, 28 August 2007

As at the date of this announcement, the directors of the Company are: executive directors Li Xiaolin and Hu Jiandong, non-executive directors Wang Binghua and Gao Guangfu, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Tsui Yiu Wa, Alec.