

## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your securities in China Power International Development Limited (the “Company”), you should at once hand the Rights Issue Documents (as defined herein) to the purchaser or transferee or to the bank, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee. The Rights Issue Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations including but not limited to the United States or the other Specified Territories.

A copy of each of the Rights Issue Documents, together with the documents specified in the section headed “GENERAL INFORMATION — 13. Documents Delivered to the Registrar of Companies” in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of the Rights Issue Documents. Dealings in the securities of the Company and the Rights Shares (as defined herein) in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in the United States, the other Specified Territories or in any jurisdiction in which such offer, solicitation or sale would be unlawful. The nil-paid Rights Shares, the Rights Shares, the PALs and the EAFs have not been, and will not be, registered under the US Securities Act, and may not be offered or sold in the United States unless registered under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, registration under the US Securities Act. The Company has no intention to register under the US Securities Act any portion of the Rights Issue or any of the nil-paid Rights Shares, the Rights Shares, the PALs and the EAFs or to conduct a public offering of such securities in the United States. This Prospectus may not be forwarded or distributed to any address in the United States. Failure to comply with this directive may result in a violation of the US Securities Act. Except as otherwise set out herein the Rights Issue described in this Prospectus is not being made to Shareholders or Beneficial Owners in the Specified Territories.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Rights Issue Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Rights Issue Documents.



## 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)

### **RIGHTS ISSUE OF 2,451,721,580 RIGHTS SHARES ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING SHARES HELD ON THE RECORD DATE AT HK\$1.82 PER RIGHTS SHARE**

**Sole Global Coordinator, Sole Bookrunner and Sole Underwriter**

**Bank of America**  
**Merrill Lynch**

Capitalized terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The Shares have been dealt in on an ex-rights basis from Tuesday, 14 November 2017. Dealings in the Rights Shares in nil-paid form will take place from Tuesday, 28 November 2017 to Tuesday, 5 December 2017 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (where applicable) or the Underwriting Agreement is terminated by the Sole Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons dealing in nil-paid Rights Shares during the period from Tuesday, 28 November 2017 to Tuesday, 5 December 2017 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions granting the Sole Underwriter the right to terminate the Underwriting Agreement if certain events (including force majeure) happen at any time prior to the Latest Time for Termination. For further details, please refer to the section headed “LETTER FROM THE BOARD — Underwriting Arrangements — Termination of the Underwriting Agreement” as set out on pages 38 to 40 of this Prospectus. In addition, the obligations of the Sole Underwriter under the Underwriting Agreement are conditional on the conditions set out in the section headed “LETTER FROM THE BOARD — Underwriting Arrangements — Conditions of the Rights Issue” as set out on pages 37 to 38 of this Prospectus being fulfilled or waived (as applicable).

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Sole Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. If the conditions of the Rights Issue are not fulfilled or the Sole Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and the Rights Shares in their nil-paid and fully-paid forms, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

24 November 2017

## NOTICES

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not terminated in accordance with its terms. If the conditions of the Rights Issue as set out under the section headed “LETTER FROM THE BOARD — Underwriting Arrangements — Conditions of the Rights Issue” in this Prospectus are not fulfilled or waived (as applicable), the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time.

It should be noted that the Existing Shares have been dealt in on an ex-rights basis since Tuesday, 14 November 2017, and nil-paid Rights Shares will be dealt in from 9:00 a.m. on Tuesday, 28 November 2017 to 4:00 p.m. on Tuesday, 5 December 2017 (both dates inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived (as applicable) and any person dealing in nil-paid Rights Shares from 9:00 a.m. on Tuesday, 28 November 2017 to 4:00 p.m. on Tuesday, 5 December 2017 (being the first and last days of dealings in nil-paid Rights Shares, respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

**EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN AUSTRALIA, CANADA, JAPAN, MALAYSIA, THE PRC (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS) AND THE UNITED STATES (“THE SPECIFIED TERRITORIES”).** This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or the Rights Shares or to take up any entitlements to nil-paid Rights Shares or the Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. The Rights Issue Documents will not be registered or filed under any applicable securities or equivalent legislation of any jurisdiction other than (i) Hong Kong and (ii) the PRC, in accordance with the CSRC Notice. Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the Specified Territories absent registration or qualification under the respective securities laws of such Specified Territories, or exemption from the registration or qualification requirement under applicable rules of such Specified Territories.

Shareholders with registered addresses in any of the Specified Territories and Beneficial Owners who are resident in any of the Specified Territories are referred to in the paragraphs headed “Non-Qualifying Shareholders” and “Limited categories of persons in the Specified Territories who may be able to take up their nil-paid Rights Shares and subscribe for the Rights Shares under the Rights Issue” under the section headed “LETTER FROM THE BOARD” in this Prospectus.

## NOTICES

Each person acquiring nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of nil-paid Rights Shares and/or Rights Shares to confirm, that he/she/it is aware of the restrictions on offers and sales of nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

For a description of certain restrictions regarding the taking up of nil-paid Rights Shares for, and the offering and sale of, the Rights Shares, see the notices below.

### **NOTICE TO THE PRC SOUTHBOUND TRADING INVESTORS**

For the avoidance of doubt, the PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

**However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect.** The PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in the China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares on the Stock Exchange via China Clear under Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and can neither purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors. For the purpose of this Prospectus, PRC Southbound Trading Investors are not the Shareholders or the Beneficial Owners in the Specified Territories.

### **NOTICE TO OVERSEAS INVESTORS**

Based on the legal advice of the Company's legal advisers in relation to the laws of the relevant overseas restrictions, the following notices are set out for the attention of the overseas investors in the following jurisdictions:

### **NOTICE TO INVESTORS IN AUSTRALIA**

This Prospectus, and any other document issued by the Company in connection with the Rights Issue, does not constitute a disclosure document under Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia (the "**Corporations Act**"). It does not and is not required to, contain all the information which would be required under the Corporations Act to be included in such a disclosure document, and has not been and will not be lodged with the Australian Securities and Investments Commission. It does not contain an offer capable of acceptance by Australian Shareholders.

## NOTICES

### NOTICE TO INVESTORS IN CANADA

Neither the nil-paid Rights Shares nor the Rights Shares may be distributed, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of any province or territory of Canada except pursuant to an exemption from the requirement to file a prospectus with regulatory bodies in the province or territory of Canada in which the offer or sale is made and only by a dealer duly registered under applicable laws in circumstances where an exemption from applicable registered dealer registration requirements is not available.

No securities described in this Prospectus are being distributed to residents of Canada. This Prospectus is not, and under no circumstances is it to be construed as, an advertisement, offer, solicitation or a public offering of the securities described herein in any jurisdiction of Canada and the Prospectus must be treated as sent for information purposes only. No part of this Prospectus should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company. Persons (including without limitation, any agents, custodians, nominees and trustees) who receive a copy of this Prospectus should not distribute or send the same to any person in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the securities described therein and any representation to the contrary is an offence. In Canada, this Prospectus is intended solely for the existing Shareholders.

### NOTICE TO INVESTORS IN JAPAN

The nil-paid Rights Shares and the Rights Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan, as amended (the “FIEA”). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements under the FIEA and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

### NOTICE TO INVESTORS IN MALAYSIA

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“SC”) under the Capital Markets and Services Act 2007. Furthermore, this Prospectus will not be deposited as an information memorandum with the SC.

Accordingly, the nil-paid Rights Shares or fully-paid Rights Shares will only be made available or offered or sold exclusively to persons outside Malaysia. This Prospectus and any other document or material in connection with the issue or offer for subscription or sale, or invitation to subscribe for or purchase the nil-paid Rights Shares or fully-paid Rights Shares shall not be circulated nor distributed, nor may the nil-paid Rights Shares or fully-paid Rights

## NOTICES

Shares be made available or issued, offered for subscription or sold, or be made the subject of an invitation to subscribe for or purchase, whether directly or indirectly, to any person in Malaysia.

### **NOTICE TO INVESTORS IN THE PRC (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS)**

If a Shareholder resident in the PRC (other than the PRC Southbound Trading Investors) and/or any other PRC resident (including both individuals and companies) (other than the PRC Southbound Trading Investors) wishes to invest in nil-paid or fully-paid Rights Shares, he/she/it shall be responsible for complying with relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or other resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid or fully-paid Rights Shares to any such Shareholder and/or other resident, if in the Company's absolute discretion issuing the nil-paid or fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

### **NOTICE TO INVESTORS IN THE UNITED STATES**

The PAL, the EAF, the Rights Shares in nil-paid or fully-paid forms have not been and will not be registered under the US Securities Act or securities laws of any state or other jurisdiction of the United States and may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Rights Shares in nil-paid or fully-paid forms in the United States.

The PAL, the EAF, the Rights Shares in nil-paid or fully-paid forms have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue, the PAL, the EAF, the Rights Shares in nil-paid or fully-paid forms or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Subject to certain exceptions, none of this Prospectus, the PAL or the EAF constitutes or will constitute, or forms or will form, part of any offer or invitation to issue, purchase or acquire the Rights Shares in nil-paid or fully-paid forms to any person with a registered address, or who is located, in the United States. The Rights Shares in nil-paid or fully-paid forms are being offered outside the United States in reliance on Regulation S under the US Securities Act.

## NOTICES

In addition, until 40 days after the commencement of the offering of the Rights Shares in nil-paid or fully-paid forms, or the procurement of purchasers by the Sole Underwriter of the Rights Shares not initially taken up, any offer, sale or transfer of the Rights Shares in nil-paid or fully-paid forms in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

The Sole Underwriter may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of the Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

Notwithstanding the foregoing, in certain limited circumstances, the Company may allow persons in the United States whom the Company reasonably believes to be qualified institutional buyers (as defined in Rule 144A of the US Securities Act) to take up Rights Shares in transactions that are exempt from the registration requirements under the US Securities Act, as determined by the Company in its absolute discretion. Shareholders and Beneficial Owners in the United States should contact the Company's investor relations department for further details on whether they would be allowed to participate in the Rights Issue in these limited circumstances.

### **GENERAL**

Notwithstanding the above or any other provision in the Rights Issue Documents, the Company reserves the right to permit any Shareholder or Beneficial Owner (including a Shareholder or Beneficial Owner in any of the Specified Territories) to participate in the Rights Issue and take up his/her/its entitlement to Rights Shares if the Company, in its absolute discretion, is satisfied that the offer under the Rights Issue is exempt from or not subject to or can otherwise be lawfully made to them without contravention of any relevant legal or regulatory requirements. If the Company is so satisfied, the Company will, if requested, arrange for the relevant Shareholder or Beneficial Owner to be sent a PAL and an EAF.

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## DEFINITIONS

*In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:*

“Acceptance Date”	the last business day on which payment for and acceptance of the Rights Shares can be made under the Rights Issue, which shall be Friday, 8 December 2017 (or such later date as may be agreed in writing between the Company and the Sole Underwriter)
“Acquisition I”	the proposed acquisition by the Company of the entire equity interests in Target Companies I pursuant to Agreement I, as further described in the announcement issued by the Company on 9 October 2017
“Acquisition II”	the proposed acquisition by the Company of the entire equity interests in Target Companies II pursuant to Agreement II, as further described in the announcement issued by the Company on 9 October 2017
“Acquisitions”	Acquisition I and Acquisition II
“Agreement I”	the conditional sale and purchase agreement dated 9 October 2017 entered into by the Company and CPI Holding in relation to Acquisition I
“Agreement II”	the conditional sale and purchase agreement dated 9 October 2017 entered into by the Company and SPIC in relation to Acquisition II
“Announcements”	the announcement of the Company dated 9 October 2017 regarding the Acquisitions and the announcements of the Company dated 9 October 2017 and 8 November 2017, respectively, regarding the proposed Rights Issue
“Articles”	the existing articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“business day”	any day (other than a Saturday or a Sunday or a public holiday) on which banks generally are open for business in Hong Kong



## DEFINITIONS

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted by HKSCC as a participant of CCASS
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time
“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
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“CPDL”	China Power Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of CPI Holding
“CPI Holding”	China Power International Holding Limited, a company incorporated in Hong Kong with limited liability, the controlling shareholder of the Company and a wholly-owned subsidiary of SPIC
“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for additional Rights Shares proposed to be issued to the Qualifying Shareholders (other than the PRC Southbound Trading Investors)
“Enlarged Group”	the Group as enlarged as a result of the Acquisitions
“Existing Shares”	the Shares which are in issue on the Record Date

## DEFINITIONS

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Irrevocable Undertaking”	the deed of irrevocable undertaking dated 8 November 2017 given by CPI Holding in favour of the Company and the Sole Underwriter to, among other things, take up 697,879,515 Rights Shares, and procure CPDL to take up 665,500,000 Rights Shares
“Last Closing Price”	the closing price of HK\$2.51 per Share as quoted on the Stock Exchange on the Last Trading Day
“Last Day for Transfer”	15 November 2017, being the last date for lodging transfer of Shares prior to the closure of the Register of Members
“Last Trading Day”	8 November 2017, being the last full trading day of the Shares on the Stock Exchange immediately before the release of the announcement issued by the Company on 8 November 2017
“Latest Practicable Date”	Monday, 20 November 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion herein
“Latest Time for Acceptance”	a time which is currently expected to be 4:00 p.m. on the Acceptance Date, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares

## DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on Wednesday, 13 December 2017
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Directors, based on enquires made by and legal advices obtained by the Company together with any Beneficial Owners as the case may be, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Outstanding Options”	the options granted by the Company to subscribe for an aggregate of 11,340,000 Shares pursuant to the Share Option Scheme, which were outstanding as at the Latest Practicable Date
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the Register of Members at the close of business on the Record Date and whose registered address(es) as shown on such register is/ are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue
“PRC” or “China”	the People’s Republic of China. Geographical references in this Prospectus to the PRC or China excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through China Clear as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect
“Prospectus”	this prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to certain Non-Qualifying Shareholders, under the Rights Issue

## DEFINITIONS

“Prospectus Posting Date”	the business day on which the Rights Issue Documents will be despatched to Shareholders, which is now expected to be Friday, 24 November 2017 (or such other date to be agreed in writing between the Company and the Sole Underwriter)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the Register of Members at the close of business on the Record Date
“Record Date”	the record date by reference to which entitlements to the Rights Issue will be determined, which is now expected to be Wednesday, 22 November 2017 (or such other date to be agreed in writing between the Company and the Sole Underwriter)
“Register of Members”	the register of members of the Company
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorized custodian or third party which is the registered holder in the Register of Members of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the Company’s share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Relevant Jurisdictions”	Hong Kong, the PRC, the United States, the United Kingdom, the European Union (taken as whole) and Singapore
“Rights Issue”	the issue by way of rights of one Rights Share for every three Existing Shares at the Subscription Price, subject to the Set-off Arrangement, payable in full on acceptance
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Rights Share(s)”	the new Share(s) to be allotted and issued by way of rights under the Rights Issue
“RMB”	Renminbi, the lawful currency of PRC

## DEFINITIONS

“Set-off Agreement I”	the set-off agreement dated 8 November 2017 entered into between the Company and CPI Holding, pursuant to which the Company and CPI Holding agreed that the amount of the subscription monies in respect of the Rights Shares allotted to and accepted by CPI Holding may be set off against the corresponding portion of the consideration payable by the Company to CPI Holding under Agreement I
“Set-off Agreement II”	the set-off agreement dated 8 November 2017 entered into between the Company and CPDL, pursuant to which the Company and CPDL agreed that the amount of the subscription monies in respect of the Rights Shares allotted to and accepted by CPDL may be set off against the corresponding portion of the consideration payable by the Company to CPI Holding under Agreement I as assigned to CPDL by CPI Holding
“Set-off Arrangement”	the set-off arrangements respectively provided in the Set-off Agreement I, the Set-off Agreement II and the PAL(s) allowing for the amount of the subscription monies in respect of the Rights Shares allotted to and accepted by the Qualifying Shareholders (including CPI Holding and CPDL) under the PAL and the EAF (if applicable) to be set off against the corresponding portion of the consideration payable by the Company to CPI Holding under Agreement I (together with the corresponding portion of the consideration payable by the Company to CPI Holding under Agreement I assigned by CPI Holding to CPDL) and any sums due from the Company to such Qualifying Shareholder under any existing legally valid, binding and enforceable agreement between the Company and such Qualifying Shareholder as determined by the Company, or where the context requires, either one of such arrangements
“SFO”	Securities and Futures Ordinance
“Shanghai-Hong Kong Stock Connect” or “Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing platform under which PRC domestic investors may trade in the Hong Kong Stock Exchange via China Clear
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	person(s) whose name(s) appear on the Register of Members as registered holder(s) of Share(s)

## DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company which was conditionally approved and adopted by a written resolution passed by the Shareholders on 24 August 2004
“Sole Bookrunner” or “Sole Global Coordinator” or “Sole Underwriter”	Merrill Lynch Far East Limited
“Specified Territories”	Australia, Canada, Japan, Malaysia, the PRC (other than the PRC Southbound Trading Investors) and the United States
“SPIC”	State Power Investment Corporation* (國家電力投資集團公司), the ultimate controlling company of the Company, a wholly State-owned enterprise formerly known as China Power Investment Corporation* (中國電力投資集團公司), which was approved by the State Council of the PRC* (中華人民共和國國務院) for the consolidation and reorganization with the State Nuclear Power Technology Corporation* (國家核電技術公司) in 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.82 per Rights Share
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Companies”	Target Companies I and Target Companies II
“Target Companies I”	SPIC Guangdong Power Company Limited* (國家電投集團廣東電力有限公司) (excluding CPI Qian Zhan Gang Dian Company Limited* (中電投前詹港電有限公司)), SPIC Guangxi Power Company Limited* (國家電投集團廣西電力有限公司) and China Power (Sihui) Cogeneration Company Limited* (中電(四會)熱電有限責任公司)
“Target Companies II”	SPIC Anhui New Energy Development Co., Ltd.* (國家電力投資集團安徽新能源有限公司), SPIC Hubeilvdong New Energy Co., Ltd.* (國家電投集團湖北綠動新能源有限公司), SPIC Shandong Energy Development Co., Ltd.* (國家電投集團山東能源發展有限公司) and SPIC Shouxian New Energy Development Co., Ltd.* (國家電力投資集團壽縣新能源有限公司)
“Target Groups”	Target Companies I, Target Companies II, and their respective subsidiaries

## DEFINITIONS

“Undertaking Rights Shares”	the 697,879,515 Rights Shares which CPI Holding has undertaken to subscribe for and the 665,500,000 Rights Shares which CPI Holding has undertaken to procure CPDL to subscribe for pursuant to the Irrevocable Undertaking
“Underwriting Agreement”	the underwriting agreement dated 8 November 2017 entered into among the Company, CPI Holding and the Sole Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	1,088,342,065 Rights Shares, being such number of Rights Shares to be issued pursuant to the Rights Issue less the number of the Undertaking Rights Shares
“US” or “United States”	the United States of America
“US Securities Act”	United States Securities Act of 1933, as amended
“%”	per cent.

\* *English or Chinese translation, as the case may be, is for identification only*

*In this Prospectus, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB0.85 to HK\$1.00, and for information purposes only. Such translation should not be construed as representations that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*



<b>EXPECTED TIMETABLE</b>
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*The expected timetable for the Rights Issue is set out below:*

<b>Event</b>	<b>2017</b>
Last day of dealings in Shares on a cum-rights basis .....	Monday, 13 November
First day of dealings in Shares on an ex-rights basis .....	Tuesday, 14 November
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue .....	4:30 p.m. on Wednesday, 15 November
Closure of the Register of Members for determining entitlements under the Rights Issue (both dates inclusive) .....	Thursday, 16 November to Wednesday, 22 November
Record Date for determining entitlements under the Rights Issue .....	Wednesday, 22 November
Rights Issue Documents expected to be despatched on.....	Friday, 24 November
First day of dealings in nil-paid Rights Shares .....	9:00 a.m. on Tuesday, 28 November
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Thursday, 30 November
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 5 December
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares .....	4:00 p.m. on Friday, 8 December
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional .....	4:00 p.m. on Wednesday, 13 December
Publication of announcement of results of the Rights Issue and excess applications .....	Thursday, 14 December
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before.....	Friday, 15 December

## EXPECTED TIMETABLE

**Event**

**2017**

Share Certificates for fully-paid Rights Shares expected  
to be despatched on or before ..... Friday, 15 December

First day of dealings in fully-paid Rights Shares ..... 9:00 a.m.  
on Monday, 18 December

*Note:* All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Sole Underwriter and as appropriate, in accordance with the Listing Rules. Any changes to the anticipated timetable for the Rights Issue will be published or notified to the Shareholders and the Stock Exchange as appropriate.

### **EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place as shown if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application for excess Rights Shares will be extended to 5:00 p.m. on the same business day; or
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares and for application for excess Rights Shares does not take place on the currently scheduled date for the Acceptance Date, the dates mentioned in this section headed “EXPECTED TIMETABLE” in this Prospectus may be affected. The Company will notify the Shareholders by way of an announcement on any change to the expected timetable as soon as practicable.

## SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus.

Basis of Rights Issue:	One Rights Share for every three Existing Shares held at the close of business on the Record Date
Subscription Price:	HK\$1.82 per Rights Share
Number of Shares in issue at the close of business on the Record Date:	7,355,164,741 Shares
Number of Rights Shares to be issued under the Rights Issue:	2,451,721,580 Rights Shares
Enlarged number of Shares in issue upon completion of the Rights Issue:	9,806,886,321 Shares
Amount to be raised:	approximately HK\$4,462 million before expenses
Sole Underwriter:	Merrill Lynch Far East Limited
Right to make excess applications:	Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for Rights Shares in excess of their provisional allotments

## TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Sole Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Sole Underwriter may at any time prior to the Latest Time for Termination, by notice in writing to the Company, terminate the Underwriting Agreement if, since the time of execution of the Underwriting Agreement:

- (i) there shall have developed, occurred, happened or come into effect any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group, taken as a whole, the effect of which change, development, event or circumstance is, individually or in the aggregate, in the absolute judgment of the Sole Underwriter, so material and adverse as to make it or likely to make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or likely to have a material adverse effect on the level of the Rights Shares taken up; or
- (ii) there shall have developed, occurred, happened or come into effect any of the following:
  - (A) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange;
  - (B) a suspension for a continuous period of 10 business days in trading in any securities of the Company listed on the Stock Exchange;
  - (C) a general moratorium on commercial banking activities declared by relevant Authorities (as defined in the Underwriting Agreement) in the Relevant Jurisdictions or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in the Relevant Jurisdictions;
  - (D) any change, or any development involving a prospective change (whether permanent or not), or any event or circumstance likely to result in a change or a development involving a prospective change (whether permanent or not), in or affecting any taxation, exchange controls or currency exchange rates in the Relevant Jurisdictions;

## TERMINATION OF THE UNDERWRITING AGREEMENT

- (E) any new Laws (as defined in the Underwriting Agreement) or any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting existing Laws or the interpretation or application of existing Laws by any court or other competent Authority in the Relevant Jurisdictions;
- (F) any director of the Company being arrested or detained for, or committing any act of fraud or other offense;
- (G) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in each case, involving or affecting the Relevant Jurisdictions; or
- (H) any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in any financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in or affecting the Relevant Jurisdictions,

if the effect of any such event or circumstance specified in clauses (A) to (H) above, individually or in the aggregate, in the judgment of the Sole Underwriter, makes it or is likely to make it inadvisable or inexpedient to proceed with the Rights Issue as a whole or have a material adverse effect on the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or likely to have a material adverse effect on the level of the Rights Shares taken up; or

(iii) there comes to the notice of the Sole Underwriter any of the following:

- (A) any representations and warranties and other statements in the Underwriting Agreement on the part of the Company or CPI Holding being untrue, inaccurate or misleading in any respect or having been breached in any respect; or
- (B) any material breach of any of the obligations of the Company under the Underwriting Agreement; or

## TERMINATION OF THE UNDERWRITING AGREEMENT

- (C) any material investigation or claim or litigation being instigated against any member of the Group by any Authority or the creditors other than those disclosed in the Prospectus or publically announced on the website of the Stock Exchange by the Company before the date of the Underwriting Agreement; or
- (D) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group.

**In the event the Sole Underwriter exercises its right to terminate the Underwriting Agreement prior to the Latest Time for Termination, save in respect of certain rights or obligations under the Underwriting Agreement, the Company shall not be under any obligation or liability under the Underwriting Agreement and the Sole Underwriter shall be under no obligation or liability to the Company.**

**If the Sole Underwriter exercises such right, the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Sole Underwriter.**

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Shares have been dealt in on an ex-rights basis from Tuesday, 14 November 2017. Dealings in the Rights Shares in the nil-paid form are expected to take place from Tuesday, 28 November 2017 to Tuesday, 5 December 2017 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should be noted that the Underwriting Agreement contains provisions granting the Sole Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events, further details of which are set out in the section headed “LETTER FROM THE BOARD — Underwriting Arrangements — Termination of the Underwriting Agreement” in this Prospectus. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out under the section headed “LETTER FROM THE BOARD — Underwriting Arrangements — Conditions of the Rights Issue” in this Prospectus) are fulfilled (and the date on which the right of termination of the Sole Underwriter under the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 28 November 2017 to Tuesday, 5 December 2017 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares.**

## TERMINATION OF THE UNDERWRITING AGREEMENT

**If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company. Any buying or selling of the securities of the Company from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional and may not proceed.**



LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. Yu Bing (*Chairman*)

Mr. Tian Jun (*President*)

*Non-executive Directors:*

Mr. Guan Qihong

Mr. Wang Xianchun

*Independent non-executive Directors:*

Mr. Kwong Che Keung, Gordon

Mr. Li Fang

Mr. Yau Ka Chi

*Registered office and principal place  
of business in Hong Kong:*

Suite 6301, 63/F, Central Plaza  
18 Harbour Road

Wanchai, Hong Kong

24 November 2017

*To the Qualifying Shareholders and, for information only, certain Non-Qualifying Shareholders,*

Dear Sir or Madam,

**RIGHTS ISSUE OF 2,451,721,580 RIGHTS SHARES ON  
THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY THREE EXISTING SHARES  
HELD ON THE RECORD DATE AT HK\$1.82 PER RIGHTS SHARE**

**INTRODUCTION**

Reference is made to the Announcements. In order to finance the Acquisitions, the Company intends to raise approximately HK\$4,462 million, before expenses, by way of a rights issue of 2,451,721,580 Rights Shares on the basis of one Rights Share for every three Existing Shares held by Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.82 per Rights Share, subject to the Set-off Arrangement, payable in full on acceptance. The Company will provisionally allot one Rights Share in nil-paid form for every three Existing Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefits and interests of the Company.

## LETTER FROM THE BOARD

The Rights Issue is only available to Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Since there was no new Share being issued or repurchased by the Company on or before the Record Date, the total number of issued Shares on the Record Date was 7,355,164,741, and accordingly the Company will issue 2,451,721,580 Rights Shares to the Qualifying Shareholders.

CPI Holding, a controlling shareholder of the Company, together with CPDL (CPI Holding's wholly-owned subsidiary), are interested in an aggregate of 4,090,138,546 Shares, representing approximately 55.61% of the total number of Existing Shares in issue as at the Latest Practicable Date, has irrevocably undertaken to the Company and the Sole Underwriter pursuant to the Irrevocable Undertaking that it will, among other things, take up 697,879,515 Rights Shares, and will procure CPDL to take up 665,500,000 Rights Shares, representing their respective full entitlements to the Rights Shares under the Rights Issue. Pursuant to the Underwriting Agreement dated 8 November 2017, the Sole Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by CPI Holding and CPDL pursuant to the Irrevocable Undertaking.

The Board received and considered a few preliminary proposals from other financial institutions. However, the Board resolved to engage Merrill Lynch Far East Limited as the Sole Underwriter because: (i) the Rights Issue is closely connected with the Acquisitions and Bank of America Merrill Lynch acted as the sole financial adviser to the Company in respect of the Acquisitions and hence has a better understanding of the Company's equity structure, operation details and financing needs; (ii) the current terms for the Rights Issue were arrived after several rounds of arm's-length negotiations among the Board, its authorized representatives and the Sole Underwriter for around two months; (iii) the current terms are in line with precedent rights issue transactions in the market and reasonably reflect the feedback received by the Company from both institutional and retail investors after the announcement issued by the Company on 9 October 2017.

In addition, the Company is mindful of the laws and regulations in Hong Kong to keep inside information confidential pending an announcement and not putting any person in a privileged dealing position. As the Rights Issue is a piece of highly material and price sensitive information, the Company did not consider approaching multiple underwriters with whom it does not have prior business relationship to be conducive to comply with the relevant laws and regulations in Hong Kong.

The Board has considered other fund raising alternatives before resolving to carry out the Rights Issue. Debt financing will increase the gearing ratio and additional finance cost of the Group. Equity placing will not provide an equal opportunity for all Shareholders and will inevitably result in dilution to the equity interest of most Shareholders. Open offer is less beneficial to Shareholders than Rights Issue as Shareholders do not have the flexibility to sell their nil-paid Rights Shares on the open market in an open offer.

The purpose of this Prospectus is to provide you with, among other things, further information regarding the details of the Rights Issue.

## LETTER FROM THE BOARD

### RIGHTS ISSUE

Details of the Rights Issue are set out below:

#### Issue Statistics

Basis of Rights Issue:	One Rights Share for every three Existing Shares held at the close of business on the Record Date
Subscription Price:	HK\$1.82 per Rights Share
Number of Shares in issue at the close of business on the Record Date:	7,355,164,741 Shares
Number of Rights Shares to be issued under the Rights Issue:	2,451,721,580 Rights Shares
Enlarged number of Shares in issue upon completion of the Rights Issue	9,806,886,321 Shares
Amount to be raised:	approximately HK\$4,462 million, before expenses
Sole Underwriter:	Merrill Lynch Far East Limited
Right to make excess applications:	Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for Rights Shares in excess of their provisional allotments

As at the Latest Practicable Date, the Company has 11,340,000 Outstanding Options, which are exercisable from Latest Practicable Date to the Record Date. From the Latest Practicable Date up to the Record Date, no Outstanding Options have been exercised.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The total number of 2,451,721,580 new Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's total number of Shares in issue as at the Latest Practicable Date and represents approximately 25.0% of the Company's Shares in issue as enlarged by the Rights Issue (assuming no change in the total number of issued Shares of the Company from the Record Date up to the date of completion of the Rights Issue).

CPI Holding, a controlling shareholder of the Company, together with CPDL (CPI Holding's wholly-owned subsidiary), shall subscribe and pay for or procure the subscription and payment for, subject to the Set-off Arrangement, its entitlement of 1,363,379,515 Rights Shares, being the rights entitlement which will be provisionally allotted to them under the Rights Issue prior to the Latest Time for Acceptance pursuant to the Irrevocable Undertaking.

## LETTER FROM THE BOARD

The Underwritten Shares are fully underwritten by the Sole Underwriter on the terms and subject to the conditions of the Underwriting Agreement, details of which are set out under the sub-section headed “Underwriting Arrangements” below.

### Subscription Price

The Subscription Price is HK\$1.82 per Rights Share, subject to the Set-off Arrangement, which is payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares, or a transferee of nil-paid Rights Shares applies for Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 17.3% to the closing price of HK\$2.20 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 27.5% to the Last Closing Price;
- (iii) a discount of approximately 22.1% to the theoretical ex-rights price (on the basis that no Outstanding Options have been exercised) of approximately HK\$2.34 per Share, which is calculated based on the Last Closing Price;
- (iv) a discount of approximately 26.4% to the average of the closing prices of approximately HK\$2.47 per Share as quoted on the Stock Exchange for the five consecutive trading days ending on and including the Last Trading Day; and
- (v) a discount of approximately 26.6% to the average of the closing prices of approximately HK\$2.48 per Share as quoted on the Stock Exchange for the ten consecutive trading days ending on and including the Last Trading Day.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day, the Company’s financial conditions and the prevailing market conditions, including but not limited to recent market events and market volatility. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its shareholding in the Company held at the close of business on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the sub-section headed “Use of Proceeds and Reasons for and Benefits of the Rights Issue” below and various other factors, including but not limited to (i) the use of proceeds; (ii) the terms in precedent rights issue transactions; (iii) the basis of the subscription price which has been set at a discount as described above with an objective to encourage the existing Shareholders to take up their entitlements; (iv) the equal opportunity given to the Shareholders to maintain their respective pro-rata shareholding interest in the Company; (v) the fact that the current terms were reached after arm’s length negotiation with the Sole Underwriter and (vi) the financing

## LETTER FROM THE BOARD

alternatives considered by the Company, the Directors consider the terms of the Rights Issue, including the Subscription Price and the discount to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one Rights Share (in nil-paid form) for every three Existing Shares held by a Qualifying Shareholder on the Record Date.

The subscription ratio was determined by the Directors after considering (i) the total funding requirement of RMB4,969,321,000 (equivalent to approximately HK\$5,846,260,000) in order to finance the aggregate consideration of the Acquisitions and (ii) the potential dilution impact on the Shareholders after the Rights Issue.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same, subject to the Set-off Arrangement, with a cheque or banker's cashier order for the Rights Shares being applied for with the Company's share registrar in Hong Kong on or before 4:00 p.m. on the Acceptance Date.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder or an investor must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, any transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by 4:30 p.m. on the Last Day for Transfer.

The last day for dealing in the Shares on a cum-rights basis was Monday, 13 November 2017. The Shares have been dealt in on an ex-rights basis from Tuesday, 14 November 2017.

The Company expects to despatch the Rights Issue Documents to Qualifying Shareholders only on or before Friday, 24 November 2017. The Company will, subject to the legal advices provided by the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, send copies of this Prospectus, without any PAL or EAF, to the Non-Qualifying Shareholders, and if required by the terms of the Share Option Scheme (if applicable), to the respective holders of the Outstanding Options, in each case for information purposes only.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional

## LETTER FROM THE BOARD

entitlements). If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company on the Record Date will be diluted by a maximum of 25.0%.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell their nil-paid Rights Shares on the Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or (ii) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect. Please refer to the paragraph headed “PRC Southbound Trading Investors” below for more details.

The Latest Time for Acceptance is expected to be 4:00 p.m. on the Acceptance Date.

### **Closure of the Register of Members**

The Register of Members was closed from Thursday, 16 November 2017 to Wednesday, 22 November 2017 (both dates inclusive) for determining the entitlements to the Rights Shares. No transfer of Shares was registered during this period.

### **Non-Qualifying Shareholders**

As at the Latest Practicable Date, there were seven Overseas Shareholders with registered addresses located in Australia, Canada, Japan, Malaysia and the PRC (other than the PRC Southbound Trading Investors). The Company has made enquiries with overseas legal advisers regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in that place of extending the Rights Issue to such Overseas Shareholders. The Directors, based on results of such enquiries made, consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholder with registered address located in the aforesaid jurisdictions. Subject to compliance with the relevant local laws, regulations and requirements, the Company will send a copy of the Prospectus to each of such Overseas Shareholders for information only, but not the PAL or the EAF.

Accordingly, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are Shareholders whose name(s) appeared in the Register of Members at the close of business on the Record Date and whose address(es) as shown on such register is/are in any of the Specified Territories or any Beneficial Owners, as the case may be, except for those Shareholders or Beneficial Owners, as the case may be who fulfil, to the satisfaction of the Company, the relevant requirements specified in the paragraph headed “Limited categories of persons in the Specified Territories who may be able to take up their nil-paid Rights Shares and subscribe for the Rights Shares under the Rights Issue” below.

Beneficial Owners may or may not be eligible to take part in the Rights Issue.



## LETTER FROM THE BOARD

Notwithstanding any other provision in the Rights Issue Documents, the Company reserves the right to permit any Shareholder or Beneficial Owner (including a Shareholder or Beneficial Owner in any of the Specified Territories) to participate in the Rights Issue and take up his/her/its entitlement to the Rights Shares if the Company, in its absolute discretion, is satisfied that the offer under the Rights Issue is exempt from or not subject to or can otherwise be lawfully made to them without contravention of any relevant legal or regulatory requirements.

The Company also reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Receipt of any of the Rights Issue Documents or the crediting of Rights Shares in nil-paid form to a stock account in CCASS does not and will not constitute an offer in those jurisdictions where the Directors, based on enquiries made by them, consider it necessary or expedient not to extend the Rights Issue or in any territory in which it would be unlawful to extend the Rights Issue, and, in those circumstances, the Rights Issue Documents must be treated as sent for information only and should not be copied or redistributed. Any person (including, without limitation, any agent, custodian, nominee and trustee) who receives a copy of any of the Rights Issue Documents or whose stock account in CCASS is credited with Rights Shares in nil-paid form should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Rights Shares in nil-paid form to any person in, any of the Specified Territories or any territory in which it would be unlawful to extend the Rights Issue. If any of the Rights Issue Documents is received by, or any Rights Shares in nil-paid form are credited to the stock account in CCASS of, any person in any such territory or his/her agent, custodian, nominee or trustee, he/she should not take up such Rights Shares in nil-paid form or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer such Rights Shares in nil-paid form in CCASS (if applicable) unless such person is able to demonstrate to the satisfaction of the Company, or the Company determines, in its absolute discretion, that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, any agent, custodian, nominee and trustee) who distributes or forwards this Prospectus or a PAL and/or an EAF in, into or from any of the Specified Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

Arrangements have been made in respect of those Shareholders whose name(s) appeared on the Register of Members at the close of business on the Record Date and whose address(es) as shown on such register is/are in any of the Specified Territories, such that the Rights Shares which would otherwise have been provisionally allotted to them had they been Qualifying Shareholders will be allotted to a nominee that will sell such Rights Shares in the market in their nil-paid form, for the benefit of the Shareholders referred to above in this paragraph, as soon as practicable after dealings in the nil-paid Rights Shares commence if a premium (net of expenses) can be obtained. The aggregate net proceeds of such sale will be paid to Non-Qualifying Shareholders who were registered Shareholders as at the close of business on the Record Date in Hong Kong dollars (pro-rata to their shareholdings on the Record Date), provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not exceeding HK\$100, such sum will be paid to the Company for its own benefit. Any unsold nil-



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paid Rights Shares to which those Non-Qualifying Shareholders who are registered Shareholders as at the close of business on the Record Date would otherwise have been entitled will be available for excess application by Qualifying Shareholders under the EAFs.

### **Limited categories of persons in the Specified Territories who may be able to take up their nil-paid Rights Shares and subscribe for the Rights Shares under the Rights Issue**

Notwithstanding what is said in the paragraph headed “Non-Qualifying Shareholders” above, limited categories of persons in the Specified Territories may be able to take up their rights under the Rights Issue. The Company reserves the absolute discretion in determining whether to allow any participations in the Rights Issue as well as the identity of the persons who may be allowed to participate in any of the Specified Territories. Shareholders and Beneficial Owners in any of the Specified Territories may still participate in the Rights Issue, subject to the Company’s absolute discretion, provided that such Shareholders and Beneficial Owners are able to provide the Company with evidence, to the Company’s satisfaction, that they fulfil the relevant requirements in the relevant jurisdiction(s). For Beneficial Owners in any of the Specified Territories who want to participate in the Rights Issue, please contact your Intermediary to make the necessary arrangements.

### **PRC Southbound Trading Investors**

According to the “CCASS Shareholding Search” available on the Stock Exchange’s website (<http://www.hkexnews.hk>), as at the Latest Practicable Date, China Clear held 602,766,000 Shares, representing approximately 8.20% of the total issued Shares. China Clear is a CCASS Participant with HKSCC Nominees Limited.

The Directors have made the relevant enquiries and were advised that the PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights on the Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or to (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in the China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares on the Stock Exchange via China Clear under Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and can neither purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

**The PRC Southbound Trading Investors should seek advice from their Intermediary (including broker, custodian, nominee or China Clear participant) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions with such Intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the**

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**relevant dates stated in the section headed “EXPECTED TIMETABLE” in this Prospectus and otherwise in accordance with the requirements of the Intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.**

According to the PRC legal adviser of the Company, as the Rights Issue Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares (in both their nil-paid and fully-paid forms) shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this Prospectus) or a Qualifying Shareholder in the PRC, or it has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

As such, the Rights Issue Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to China Clear in the PRC or the Qualifying Shareholder in the PRC or to the extent in compliance with applicable PRC laws and regulations, and the Rights Issue Documents may not be made publicly available in the PRC.

Save and except for the PRC Southbound Trading Investors and Shareholders who have been exempted by or have obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations, based on the legal advice of the PRC legal adviser of the Company, other Shareholders in the PRC are not entitled to participate in the Rights Issue.

### **Distribution of Rights Issue Documents**

The Company will only despatch the Rights Issue Documents to Qualifying Shareholders. To the extent reasonably practicable and legally permitted, the Company will send copies of this Prospectus (without the PAL and the EAF) to Non-Qualifying Shareholders whose names appeared on the Register of Members at the close of business on the Record Date for information purposes only; provided that this Prospectus will not be sent to Non-Qualifying Shareholders known by the Company to be resident in the United States.

This Prospectus will not be sent to any Shareholders or Beneficial Owners in the Specified Territories except to those Shareholders or Beneficial Owners who satisfy relevant requirements to the satisfaction of the Company.

Distribution of the Rights Issue Documents into jurisdictions other than Hong Kong may be restricted by law. Any person who receives the Rights Issue Documents (including, without limitation, any agent, custodian, nominee and trustee) should be aware of and comply with the applicable restriction in the relevant jurisdiction(s). Failure to comply with any applicable restrictions may constitute a violation of the securities laws of the relevant jurisdiction(s). Any Shareholder or Beneficial Owner who is in doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as

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determined by the Company, this Prospectus should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories either with or without the PAL or the EAF.

The Rights Issue Documents will not be registered or filed under any applicable securities or equivalent legislation of any jurisdiction other than (i) Hong Kong and (ii) the PRC, in accordance with the CSRC Notice.

### **Fractional Entitlement to the Rights Shares**

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. No odd-lot matching services will be provided. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number). Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefits and interests of the Company and more particularly described in the paragraph headed “Application for excess Rights Shares” below.

### **Procedures for Acceptance or Transfer**

#### *General*

Any person (including, without limitation, any agent, custodian, nominee and trustee) wishing to take up the Rights Shares in nil-paid form or fully-paid form under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders whose registered addresses are in any of the Specified Territories or who are holding Shares on behalf of persons with such addresses is drawn to the paragraph headed “Non-Qualifying Shareholders” above.

#### *Action to be taken by registered Shareholders*

##### *Subscription for all Rights Shares provisionally allotted*

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If Qualifying Shareholder(s) wish(es) to exercise his/her/its/their right to subscribe for all the Rights Shares provisionally allotted to him/her/it/them as specified in the PAL, he/she/it/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, subject to the Set-off Arrangement, with the Registrar by no later than 4:00 p.m. on the Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, and cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**China Power International Development Limited — Rights Issue A/C**” and crossed “**Account Payee Only**”.

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It should be noted that unless the PAL, together with the appropriate remittance, subject to the Set-off Arrangement, has been lodged with the Registrar by 4:00 p.m. on the Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by Qualifying Shareholders. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to such warranty and representation. Any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If the Sole Underwriter exercises its right to terminate the Underwriting Agreement before the Latest Time for Termination (or such later date as the Company and the Sole Underwriter may agree in writing) and/or if any of the conditions mentioned in the subsection headed "Underwriting Arrangements — Conditions of the Rights Issue" below is not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post at the risk of such persons as soon as practicable thereafter.

### *Transfers and "splitting" of nil-paid Rights Shares*

Nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its nil-paid Rights Shares or to transfer his/her/its nil-paid Rights Shares to more than one person, the original PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. on Thursday, 30 November 2017 to the Registrar, who will then cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second business day after the surrender of the original PAL. This process is commonly known as "splitting" nil-paid Rights Shares.

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Having “split” nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the “Form of Transfer and Nomination” (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact together with a remittance for the full amount payable, subject to Set-off Arrangement, on acceptance with the Registrar to effect the transfer by no later than 4:00 p.m. on the Acceptance Date.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

### *Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories*

Any registered Shareholder accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant nil-paid Rights Shares or the Rights Shares from within any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (i) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws of the relevant places or Specified Territories, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (ii) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside

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Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (iii) purports to exclude the representation and/or warranty required by the paragraph immediately above.

### ***Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)***

#### *Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “EXPECTED TIMETABLE” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

#### *Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)*

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the relevant nil-paid Rights Shares or the Rights Shares from within any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (i) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws or other regulatory requirements of the relevant places, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its



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agents believe the same may violate any applicable legal or regulatory requirements; (ii) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (iii) purports to exclude the representation and/or warranty required by the paragraph immediately above.

### ***Action to be taken by Beneficial Owners holding interests in Shares through CCASS***

#### *Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “EXPECTED TIMETABLE” in this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

#### *Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS*

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s acceptance will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of nil-paid Rights Shares or the Rights Shares from within any of the Specified

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Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire Rights Shares; (iii) such person is not acting on a non-discretionary basis for a person located within any of the Specified Territories at the time the instruction to accept was given; and (iv) such person is not acquiring Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Shares into any of the Specified Territories. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes for the Rights Shares on behalf of CCASS Participants, is not subject to the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the Specified Territories and which may involve a breach of the laws or other regulatory requirements of the relevant places or any instruction which otherwise appears to the Company may involve a breach of the laws or other regulatory requirements of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirements; or which purports to exclude the representation and/or warranty required by the paragraph immediately above.

### **Application for excess Rights Shares**

Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for:

- (i) any Rights Shares representing fractional entitlements;
- (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares; and
- (iii) any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders.

Application for excess Rights Shares can be made only by Qualifying Shareholders (other than the PRC Southbound Trading Investors). If a Qualifying Shareholder (other than a PRC Southbound Trading Investor) wishes to apply for excess Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF (in accordance with the instructions printed thereon) and lodge it with the Company's share registrar in Hong Kong, together with a separate cheque or banker's cashier order, subject to the Set-off Arrangement, for the amount payable on application in respect of the excess Rights Shares applied for by no later than 4:00 p.m. on Friday, 8 December 2017, or such later time and/or date as may be agreed between the Company and the Sole Underwriter. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**China Power International Development Limited — Excess Application A/C**" and crossed "**Account Payee Only**". The Company may at its discretion treat an EAF as valid and binding on the person(s) by himself/herself/itself/themselves or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.



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The Directors will allocate any excess Rights Shares (if any) at their discretion on a fair and equitable basis and as far as practicable on the following principles:

- (1) no preference will be given to applications for topping up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their nil-paid Rights Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (2) subject to the availability of sufficient excess Rights Shares, any excess Rights Shares will be allocated to Qualifying Shareholders (other than the PRC Southbound Trading Investors) who apply for them on a pro-rata basis by reference to the number of excess Rights Shares applied for under each application. Reference will only be made to the number of excess Rights Shares being applied for, and no reference will be made to Rights Shares comprised in applications under any PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for under EAFs, the Directors will allocate to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) who applies for excess Rights Shares in full application.

The Directors consider the above basis for allocation to be fair and reasonable. Subject to CPI Holding and CPDL taking up in full their respective portions of Undertaking Rights Shares pursuant to the Irrevocable Undertaking, any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Sole Underwriter.

### *Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories*

What is set out under the headings “Procedures for Acceptance or Transfer — Action to be taken by registered Shareholders” and “Procedures for Acceptance or Transfer — Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories” above in relation to transfer and acceptance of nil-paid Rights Shares and Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

### *Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares*

#### *Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights

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Shares stated in the section headed “EXPECTED TIMETABLE” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

*Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)*

What is set out under the heading “Procedures for Acceptance or Transfer — Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) — Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)” above in relation to transfer and acceptance of nil-paid Rights Shares and Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

***Action to be taken by Beneficial Owners holding interest in Shares through CCASS who wish to apply for excess Rights Shares***

*Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the “EXPECTED TIMETABLE” in this Prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for application for excess Rights Shares by Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with the “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares.

*Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS*

What is set out under the heading “Procedures for Acceptance or Transfer — Action to be taken by Beneficial Owners holding interests in Shares through CCASS — Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS” above in relation to transfer and

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acceptance of nil-paid Rights Shares and Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

### *Important notice for Beneficial Owners*

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder according to the Register of Members. Accordingly, the Beneficial Owners should note that the aforesaid arrangement for the allocation of the excess Rights Shares will not be extended to the Beneficial Owners individually (including those Beneficial Owners holding the Shares through HKSCC Nominees Limited). HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC considers fair and appropriate, which is pursuant to the allocation basis as stipulated in Rules 8.10.4(ix) of the CCASS Operational Procedures.

Beneficial Owners with their Shares held by a Registered Owner (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date. For Beneficial Owners whose Shares are held by a Registered Owner (or which are held in CCASS) and would like to have their names registered on the Register of Members, they must lodge all necessary documents with the Company's share registrar in Hong Kong, for completion of the relevant registration by 4:30 p.m. on Wednesday, 15 November 2017.

If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Friday, 15 December 2017. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Friday, 15 December 2017.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to such warranty and representation. Completion and return of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

## LETTER FROM THE BOARD

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the Register of Members on the Record Date.

If the Underwriting Agreement is terminated and/or if any of the conditions in the subsection headed "Underwriting Arrangements — Conditions of the Rights Issue" below is not fulfilled and/or waived (as the case may be), the monies received in respect of applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

### **Status of the Rights Shares**

The Rights Shares, when allotted and issued and fully paid (including credited as fully paid as the case may be), will rank *pari passu* in all respects with the Existing Shares then in issue. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of such Rights Shares.

### **Set-off Arrangements**

A Qualifying Shareholder shall be entitled to set off all or part of the aggregate subscription monies in respect of the Rights Shares against such sums due from the Company to such Qualifying Shareholder under any existing legally valid, binding and enforceable agreement between the Company and such Qualifying Shareholder as determined by the Company, provided that all conditions precedent in such agreement (if any) having been fully satisfied or waived (if applicable) according to the terms thereof.

In particular, Set-off Agreement I and Set-off Agreement II were entered into pursuant to which the Company agreed that the amount of the subscription monies in respect of the Rights Shares allotted to and accepted by CPI Holding and CPDL may be set off against the corresponding portions of the consideration payable by the Company to CPI Holding under Agreement I, provided that all conditions precedent in Agreement I having been fully satisfied or waived (if applicable) according to the terms thereof.

### **Application for listing of and dealings in the Rights Shares**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 1,000 Shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed on, or dealt in, any other stock exchange.

## LETTER FROM THE BOARD

### **Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Share Certificates for Rights Shares and Refund Cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid (including credited as fully-paid as the case may be) Rights Shares are expected to be posted on Friday, 15 December 2017 to those who have accepted and (where applicable) applied for, and paid for (subject to the Set-off Arrangement), the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Friday, 15 December 2017 to the applicants by ordinary post at their own risk.

### **IRREVOCABLE UNDERTAKING FROM CPI HOLDING**

As at the Latest Practicable Date, CPI Holding (a controlling shareholder of the Company) and CPDL (CPI Holding's wholly-owned subsidiary) held 2,093,638,546 Shares and 1,996,500,000 Shares, respectively, and were therefore interested in an aggregate of 4,090,138,546 Shares, representing approximately 55.61% of the total number of the Existing Shares in issue.

Pursuant to the Irrevocable Undertaking, CPI Holding has irrevocably undertaken to the Company and the Sole Underwriter, among other things, that:

- (i) it will subscribe for, and will procure CPDL to subscribe for, all the 1,363,379,515 Rights Shares to be provisionally allotted to it and CPDL in respect of the existing 4,090,138,546 Shares beneficially owned by them pursuant to the terms of the Rights Issue Documents;

## LETTER FROM THE BOARD

- (ii) it will accept and procure that acceptances in respect of the aforesaid Rights Shares shall be lodged with the Registrar or the Company by the Latest Time for Acceptance in accordance with the instructions in the Rights Issue Documents and to deliver to the Sole Underwriter certified true copies of the PAL(s) or such other documentation evidencing the acceptance in respect of such Rights Shares;
- (iii) it will make (or set off, if applicable) full payment in Hong Kong dollars to the Company for the subscription monies payable in accordance with the terms of the Rights Issue upon the lodging of the acceptances in respect of such Rights Shares and in any event, by the Latest Time for Acceptance;
- (iv) it will remain, and will procure CPDL to remain, beneficially interested in the 4,090,138,546 Shares held by it and CPDL at the close of business on the Record Date;
- (v) it will not dispose of or transfer or create, and will procure CPDL not to dispose of or transfer or create, any rights in respect of any Shares, or any interests therein from the date of the Irrevocable Undertaking up to and including the Record Date;
- (vi) it will not acquire, and will procure CPDL not to acquire, any Shares or any interests therein (except by taking up such Rights Shares provisionally allotted to it and CPDL under the Rights Issue) from the date of the Irrevocable Undertaking up to and including the Latest Time for Acceptance; and
- (vii) irrespective of whether the terms of the Prospectus will confer rights of withdrawal on accepting shareholders, it will not, and will procure CPDL not to, withdraw any application for or acceptance of the Rights Issue in respect of such Rights Shares and will procure that no rights to withdraw any application or acceptance in respect of such Rights shares are exercised.

The Rights Issue is fully underwritten by the Sole Underwriter on the terms of the Underwriting Agreement other than all the Rights Shares that will be provisionally allotted to and which are to be taken up by CPI Holding and CPDL pursuant to the Irrevocable Undertaking on the terms and conditions set out in the Irrevocable Undertaking.

Save for the Irrevocable Undertaking from CPI Holding, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

### UNDERWRITING ARRANGEMENTS

#### Underwriting Agreement

Date: 8 November 2017

Parties: The Company, CPI Holding and Merrill Lynch Far East Limited as the Sole Underwriter



## LETTER FROM THE BOARD

Number of Rights Shares underwritten: 1,088,342,065 Rights Shares

Sole Underwriter's commission: An aggregate fee of 2% of the Subscription Price multiplied by 1,088,342,065

In addition, the Company may, at its sole and absolute discretion, pay to the Sole Underwriter a discretionary bonus up to 0.3% of the Subscription Price multiplied by 1,088,342,065

The Sole Underwriter has conditionally agreed to fully underwrite the difference between the total number of Rights Shares and the aggregate of 1,363,379,515 Undertaking Rights Shares undertaken to be taken up by CPI Holding and CPDL (CPI Holding's wholly-owned subsidiary) pursuant to the Irrevocable Undertaking. The number of Rights Shares to be underwritten by the Sole Underwriter will be 1,088,342,065 Rights Shares, representing approximately 11.10% of the issued share capital of the Company as enlarged by the issue of the said Rights Shares.

### Conditions of the Rights Issue

The obligations of the Sole Underwriter under the Underwriting Agreement are conditional upon:

- (a) the Rights Shares being duly issued and provisionally allotted by the authorized representatives of the Board on the terms set out in the Rights Issue Documents to the Qualifying Shareholders;
- (b) delivery of an email confirmation by Mr. Shou Rufeng, a vice president of the Company to the Sole Underwriter in accordance with the time specified in the Underwriting Agreement in a form as agreed between the parties;
- (c) delivery of a certificate of the financial controller of the Company to the Sole Underwriter on the Prospectus Posting Date in a form as agreed between the parties;
- (d) the Sole Underwriter receiving from the Company all conditions precedent documents under the Underwriting Agreement in accordance with the time specified therein;
- (e) the delivery of the Prospectus and the PAL to the Stock Exchange and the issue by the Stock Exchange of a certificate of authorization of registration before 3:00 p.m. or such later time as agreed by the Stock Exchange on the trading day before the Prospectus Posting Date;
- (f) the Registrar of Companies in Hong Kong registering the Prospectus and the PAL and having all the documents required by the provisions of section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the trading day before the Prospectus Posting Date;



## LETTER FROM THE BOARD

- (g) the Stock Exchange granting the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms), either unconditional or subject only to allotment and despatch of the share certificates in respect thereof, and such listing and permission not subsequently being withdrawn or revoked;
- (h) the despatch of the Rights Issue Documents in accordance with the provision of the Underwriting Agreement on or before the Prospectus Posting Date;
- (i) CPI Holding having performed and discharged all its obligations under the Irrevocable Undertaking and not having breached such undertaking in any material respect, with a written confirmation from a director of CPI Holding to this effect to be provided to the Sole Underwriter by the Latest Time for Acceptance; and
- (j) all conditions precedent as set out in Agreement I having been satisfied or waived (as the case may be) in accordance with the provisions therein with an email confirmation by Mr. Shou Rufeng, a vice president of the Company, to this effect to be provided to the Sole Underwriter by the Latest Time for Acceptance or, alternatively, CPI Holding having sufficient and readily available funds to pay for the Undertaking Rights Shares in full with an email confirmation by the financial controller of the Company to this effect and a written confirmation or acknowledgement of receipt of the funds for the Undertaking Rights Shares in full (except for the Undertaking Rights Shares held through CCASS, if applicable) by the Company's share registrar in Hong Kong being provided to the Sole Underwriter by the Latest Time for Acceptance.

The Sole Underwriter, shall have the right, in its absolute discretion, on or before the last day on which each of the conditions is required to be fulfilled, either: (i) to waive (conditionally or unconditionally) any or all of the conditions specified above (except the conditions specified in (a), (e), (f), (g) and (h)), or (ii) to extend the deadline for the fulfilment of any condition by such number of days or in such manner as the Sole Underwriter may determine.

### **Termination of the Underwriting Agreement**

The Underwriting Agreement contains provisions granting the Sole Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Sole Underwriter may at any time prior to the Latest Time for Termination, by notice in writing to the Company, terminate the Underwriting Agreement if, since the time of execution of the Underwriting Agreement:

- (i) there shall have developed, occurred, happened or come into effect any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group, taken as a whole, the effect of

## LETTER FROM THE BOARD

which change, development, event or circumstance is, individually or in the aggregate, in the absolute judgment of the Sole Underwriter, so material and adverse as to make it or likely to make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in this Prospectus or likely to have a material adverse effect on the level of the Rights Shares taken up; or

- (ii) there shall have developed, occurred, happened or come into effect any of the following:
  - (A) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange;
  - (B) a suspension for a continuous period of 10 business days in trading in any securities of the Company listed on the Stock Exchange;
  - (C) a general moratorium on commercial banking activities declared by relevant Authorities (as defined in the Underwriting Agreement) in the Relevant Jurisdictions or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in the Relevant Jurisdictions;
  - (D) any change, or any development involving a prospective change (whether permanent or not), or any event or circumstance likely to result in a change or a development involving a prospective change (whether permanent or not), in or affecting any taxation, exchange controls or currency exchange rates in the Relevant Jurisdictions;
  - (E) any new Laws (as defined in the Underwriting Agreement) or any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting existing laws or the interpretation or application of existing laws by any court or other competent Authority in the Relevant Jurisdictions;
  - (F) any director of the Company being arrested or detained for, or committing any act of fraud or other offense;
  - (G) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic,

## LETTER FROM THE BOARD

epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in each case, involving or affecting the Relevant Jurisdictions); or

- (H) any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in any financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in or affecting the Relevant Jurisdictions,

if the effect of any such event or circumstance specified in clauses (A) to (H) above, individually or in the aggregate, in the judgment of the Sole Underwriter, makes it or is likely to make it inadvisable or inexpedient to proceed with the Rights Issue as a whole or have a material adverse effect on the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or likely to have a material adverse effect on the level of the Rights Shares taken up; or

(iii) there comes to the notice of the Sole Underwriter any of the following:

- (A) any representations and warranties and other statements in the Underwriting Agreement on the part of the Company or CPI Holding being untrue, inaccurate or misleading in any respect or having been breached in any respect; or
- (B) any material breach of any of the obligations of the Company under the Underwriting Agreement; or
- (C) any material investigation or claim or litigation being instigated against any member of the Group by any Authority or the creditors other than those disclosed in the Prospectus or publically announced on the website of the Stock Exchange by the Company before the date of the Underwriting Agreement; or
- (D) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group.

As at the Latest Practicable Date, the Sole Underwriter has procured four independent investors pursuant to sub-underwriting arrangements with each having agreed to take up 85,000,000 Rights Shares, representing a total of 340,000,000 Rights Shares or approximately 3.47% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue. Accordingly, the maximum commitment of the Sole Underwriter (and/or its associate(s)) under the Rights Issue is expected to be around 7.63% of the enlarged issued share capital of the Company.

## LETTER FROM THE BOARD

### **Sole Underwriter's Commission**

The commission payable to the Sole Underwriter under the Underwriting Agreement is an aggregate fee of 2% of the Subscription Price multiplied by 1,088,342,065, which amounts to approximately HK\$39,615,651. The commission rate was determined after arm's length negotiations between the Company and the Sole Underwriter with reference to, among other things, the scale of the Rights Issue, the current and expected market conditions and the commission rates charged by underwriters in the recent market precedents of rights issue. In addition, the Company may, at its sole and absolute discretion, pay to the Sole Underwriter a discretionary bonus up to 0.3% of the Subscription Price multiplied by 1,088,342,065. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the commission payable by the Company are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

**In the event the Sole Underwriter exercises its right to terminate the Underwriting Agreement prior to the Latest Time for Termination, save in respect of certain rights or obligations under the Underwriting Agreement, the Company shall not be under any obligation or liability under the Underwriting Agreement and the Sole Underwriter shall be under no obligation or liability to the Company.**

**If the Sole Underwriter exercises such right, the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Sole Underwriter.**

**The Rights Shares to be subscribed by the Sole Underwriter may be sold by the Sole Underwriter at a price as may reasonably be obtained, which may be higher or lower than the prevailing market price.**

The Sole Underwriter and its affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Sole Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Company's loans and other debt. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such

## LETTER FROM THE BOARD

as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares.

### EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue, assuming that no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue:

	As at the Latest Practicable Date <sup>(1)</sup>		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by Qualifying Shareholders) <sup>(1)</sup>		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by Qualifying Shareholders (save for CPI Holding and CPDL)) <sup>(1)</sup>	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
CPI Holding	2,093,638,546	28.47	2,791,518,061	28.47	2,791,518,061	28.47
CPDL	1,996,500,000	27.14	2,662,000,000	27.14	2,662,000,000	27.14
Director and other employees <sup>(2)</sup>	—	0	—	0	—	0
Public <sup>(5)</sup>						
The Sole Underwriter (and/or its associate(s))	60,833,135 <sup>(3)</sup>	0.83	81,110,847 <sup>(3)</sup>	0.83	809,175,200 <sup>(4)</sup>	8.25
Other public Shareholders	<u>3,204,193,060</u>	<u>43.56</u>	<u>4,272,257,413</u>	<u>43.56</u>	<u>3,544,193,060</u>	<u>36.14</u>
<b>Total</b>	<b><u>7,355,164,741</u></b>	<b><u>100</u></b>	<b><u>9,806,886,321</u></b>	<b><u>100</u></b>	<b><u>9,806,886,321</u></b>	<b><u>100</u></b>

*Notes:*

- (1) The percentages showing in the above table are approximate figures; certain percentage figures have been subject to rounding adjustments. Accordingly figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) The interest of the above Director and other employees in the underlying shares of the Company represent the share options granted to him/her under the Share Option Scheme by the Company. Other than that, the above Director and other employees have no interest in any securities of the Company.
- (3) The Shares are held in the capacity of client facilitation and pursuant to stock borrowing arrangements which may change from time to time and therefore may differ from the shareholding on Record Date.
- (4) As at the Latest Practicable Date, the Sole Underwriter has procured four independent investors pursuant to sub-underwriting arrangements with each having agreed to take up 85,000,000 Rights Shares, representing a total of 340,000,000 Rights Shares or approximately 3.47% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue. Accordingly, the maximum commitment of the Sole Underwriter (and/or its associate(s)) under the Rights Issue is expected to be approximately 7.63% of the enlarged issued share capital of the Company.

## LETTER FROM THE BOARD

- (5) To the best knowledge of the Directors, as at the Latest Practicable Date, approximately 44.39% of the Shares are held by the public. On the assumption that no Rights Shares are taken up by the Qualifying Shareholders (other than CPI Holding and CPDL pursuant to the Irrevocable Undertaking), a minimum of approximately 36.14% of the Shares will continue to be held in public hands (excluding the Sole Underwriter and/or its associates) immediately after completion of the Rights Issue and therefore, the Company will still maintain sufficient public float as required under the Listing Rules.
- (6) Percentages may not add up to 100 per cent due to rounding.

### TAXATION

Shareholders are advised to consult their professional advisers regarding the taxation implications of, in the case of Qualifying Shareholders, the receipt, purchase, holding, exercising, disposing of or dealing in nil-paid Rights Shares or the fully-paid Rights Shares, and, in the case of Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company or any other party involved in this Rights Issue is providing any advice regarding, or accepts any responsibility for, any tax effects or liabilities of any Shareholder resulting from the Rights Issue, including, but not limited to, whether a Shareholder will be subject to tax on receipt of the nil-paid Rights Shares in its country of tax residence.

### WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should be noted that the Underwriting Agreement contains provisions granting the Sole Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events. Please refer to the section headed “TERMINATION OF THE UNDERWRITING AGREEMENT” in this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out under the sub-section headed “Underwriting Arrangements — Conditions of the Rights Issue” above) are fulfilled (and the date on which the right of termination of the Sole Underwriter under the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 28 November 2017 to Tuesday, 5 December 2017 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company. Any buying or selling of the securities of the Company from now up to the date on which**



## LETTER FROM THE BOARD

**all the conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional and may not proceed.**

### USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group is principally engaged in generation and sale of electricity in Mainland China, including investment, development, operation and management of coal-fired power, hydropower, wind power and photovoltaic power plants. Its businesses are located in the major power grid regions of China.

CPI Holding is an investment holding company, which is wholly owned by SPIC and is principally engaged in investment and development of power plants in the PRC and overseas.

The funds raised from the Rights Issue will be used to finance the aggregate consideration of the Acquisitions. CPI Holding has offered its support to the Group for raising fund through the Undertaking Rights Shares.

The Acquisitions will accelerate the Company's transition to a clean energy company. The Target Companies are principally engaged in clean energy power generation, mainly including hydropower, natural gas power, wind power and photovoltaic power. Those quality clean energy projects will enlarge the Group's operational capacity, assets and business coverage, and thus enhance its overall market competitiveness. It is a strategic opportunity for the Company to strengthen its presence in the high growth regional markets namely the five provinces of Guangdong, Guangxi, Anhui, Hubei and Shandong. The Company expects the development potentials of the Target Companies of the Acquisitions to have significant impact to the Group in the coming future, in particular as to the power generation projects held under the Target Companies, as follows:

SPIC Guangdong Power Company Limited (國家電投集團廣東電力有限公司) is located in Guangdong Province and holds Hengqin thermal power projects (橫琴熱電項目) which are integrated multi-energy supply projects located in Guangdong-Hong Kong-Macao Big Bay Area which are built to fulfill the energy supply to the entire Zhuhai Hengqin New Area (珠海橫琴新區), and are municipal infrastructure projects with dominant competitive advantages.

SPIC Guangxi Power Company Limited (國家電投集團廣西電力有限公司) is located in Guangxi Province that has played an important role in the commercial exchange between China and Association of Southeast Asian Nations (ASEAN). With the advance of China's "Belt and Road Initiative" (一帶一路戰略), economic development of Guangxi Province is facing new and favorable opportunities.

China Power (Sihui) Cogeneration Company Limited (中電(四會)熱電有限責任公司) holds a natural gas project under construction with an installed capacity of 800MW. It is an integrated multi-energy supply project that is regarded as one of the key composites of Guangdong Province Zhujiang Delta Reform and Development Plan (《珠江三角洲地區改革發展規劃綱要》) and listed on the 2017 Key Project List of Zhujiang Delta 9-Year Big Leap Plan



## LETTER FROM THE BOARD

(《珠三角“九年大跨越”重大項目2017年目標表》). This project is expected to commence commercial operation by the end of 2017 and contribute foreseeable positive cash flow and earnings to the Group since 2018.

Likewise, those Target Companies located in Anhui Province, Hubei Province and Shandong Province are holding high quality photovoltaic and wind power projects under construction, where curtailment is limited and well under control. With the support of the central and the regional government in those provinces, photovoltaic and wind power projects enjoy various preferential policies such as guarantee of minimal power purchase and tax incentives.

The Company believes the Acquisitions are of strategic importance to the Group's ability to enhance market competitiveness and improve its profitability and shareholders' return in the coming future. The Directors consider that it is fair and reasonable and in the interest of the Company and Shareholders as a whole to raise the required financing for the Acquisitions by way of Rights Issue.

The Directors believe that the Rights Issue will strengthen the capital base of the Company and more importantly, the fund raising can augment the financial position of the Group to enable it to proceed with the Acquisitions, whilst allowing all the Qualifying Shareholders the equitable opportunity to increase their investment in the Company and participate in the Company's future prospects. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

Without taking into account the Set-off Arrangement, the estimated net proceeds of the Rights Issue will be approximately HK\$4,410 million. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$1.80. The Company intends to apply all the net proceeds of the Rights Issue to fund the Acquisitions. In case the completion of the Acquisitions does not take place, the Company currently expects that all the net proceeds of the Rights Issue will be applied for other potential acquisition of clean energy power companies or development of clean energy power generation projects and general working capital of the Group. Further announcement will be made by the Company in relation to (among others things) the change in the use of proceeds.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK\$52 million and will be borne by the Company.

### ADJUSTMENTS TO OPTIONS GRANTED BY THE COMPANY

As at the Latest Practicable Date, there were 11,340,000 Outstanding Options entitling the holders thereof to subscribe for up to 11,340,000 Shares. Pursuant to the provisions of the Share Option Scheme, if the Rights Issue becomes unconditional, the Rights Issue will constitute an event giving rise to an adjustment to the exercise price of the Outstanding Options and/or the number of Shares issuable upon exercise of the Outstanding Options. The

## LETTER FROM THE BOARD

Company will notify the holders of the Outstanding Options and the Shareholders by way of announcement details of such adjustment, as soon as practicable after completion of the Rights Issue.

### PREVIOUS EQUITY FUND RAISING BY THE COMPANY

The Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this Prospectus.

### GENERAL

As the Rights Issue will not increase the number of issued shares or the market capitalization of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting.

CPI Holding is a controlling shareholder of the Company and CPDL is a wholly-owned subsidiary of CPI Holding, and they are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of their entitlements to the Rights Issue by CPI Holding and CPDL as Qualifying Shareholders and subscription for the Rights Shares in excess of their entitlements under the Rights Issue (if applicable) are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus as well as information with respect to the Group published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chinapower.hk>).

By order of the Board,  
**China Power International Development Limited**  
**YU Bing**  
*Chairman*

## 1. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial information of the Group for each of the three years ended 31 December 2014, 2015 and 2016 have been disclosed in the annual reports of the Company and the unaudited consolidated financial information of the Group for the six months ended 30 June 2017 in accordance with Hong Kong Accounting Standards has been disclosed in the interim report of the Company.

Details of the financial statements have been published on the Stock Exchange website (<http://www.hkexnews.hk>) and Company website (<http://www.chinapower.hk>) and can be accessed by the direct hyperlinks below:

- (i) in respect of the annual report of the Company for the year ended 31 December 2016 published on 21 April 2017 (pages 93 to 196)

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0421/LTN20170421273.PDF>

- (ii) in respect of the annual report of the Company for the year ended 31 December 2015 published on 22 April 2016 (pages 93 to 196)

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0422/LTN20160422800.pdf>

- (iii) in respect of the annual report of the Company for the year ended 31 December 2014 published on 27 April 2015 (pages 97 to 205)

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0427/LTN20150427885.pdf>

- (iv) in respect of the interim report of the Company for the six months ended 30 June 2017 published on 15 September 2017 (pages 25 to 60)

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0915/LTN20170915593.pdf>

The financial information of the Target Companies and their respective subsidiaries (if any) relating to the Acquisitions, for each of the three years ended 31 December 2014, 2015 and 2016, is disclosed in the circular of the Company dated 23 October 2017, which was published on the website of Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.chinapower.hk>).

## 2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the interim report for the six months ended 30 June 2017, the Group posted a profit attributable to owners of the Company of RMB425,138,000. After the Acquisitions, the Enlarged Group will continue to accelerate transformation and development, devote significant efforts to develop clean energy, further proceed with the development of integrated energy projects, control and slow down coal-fired power investments and provide reasonable planning for capital expenditure. In addition, the Enlarged Group will continue to leverage on the sustained and solid support from SPIC, to accelerate and facilitate the injection of quality clean energy assets in order to enlarge the Enlarged Group's assets and business coverage, and enhance its overall market competitiveness.

In light of the evolving economic and business environment, the Enlarged Group constantly reviews its existing operations from time to time. With the government policies encouraging clean energy power and the broadened geographical base of the Enlarged Group's power projects, the Enlarged Group remains optimistic on the overall market environment and the Directors believe that the Enlarged Group will continue to benefit from strong power demand, operating costs control and improvement in overall efficiency, thereby enhancing the Enlarged Group's profitability and the return to the Shareholders.

### 3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2017, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group and the Target Groups prior to the printing of this Prospectus, the Group and the Target Groups had total issued debts of RMB62,530,182,000. Details of which are as follows:

	<i>RMB'000</i>
Bank borrowings	
— Secured ( <i>Note i</i> ) and unguaranteed	17,937,296
— Unsecured and guaranteed ( <i>Note ii</i> )	368,928
— Unsecured and unguaranteed	<u>29,143,595</u>
	<u>47,449,819</u>
Borrowings from related parties	
— Secured ( <i>Note i</i> ) and unguaranteed	925,778
— Unsecured and unguaranteed	<u>8,455,880</u>
	<u>9,381,658</u>
Other borrowings	
— Secured ( <i>Note i</i> ) and unguaranteed	1,053,272
— Unsecured and guaranteed ( <i>Note iii</i> )	998,974
— Unsecured and unguaranteed	<u>2,000,000</u>
	<u>4,052,246</u>
Obligations under finance leases	
— Secured ( <i>Note i</i> ) and unguaranteed	<u>1,393,223</u>
Amounts due to related parties	
— Unsecured and unguaranteed	<u>253,236</u>
	<u><u>62,530,182</u></u>

*Notes:*

- (i) All securities pledged for the indebtedness are owned by the Group and the Target Groups.
- (ii) Bank borrowing of RMB368,928,000 are guaranteed by Hunan Provincial Finance Bureau;
- (iii) The balance represents long-term corporate bonds issued by the Group, which are guaranteed by SPIC; and
- (iv) As at the close of business on 30 September 2017, the Group has authorized but unissued short-term commercial paper of RMB3,000,000,000.

Save as aforesaid and apart from intra-group liabilities and normal trade and bills payables in the ordinary course of the business, as at the close of business on 30 September 2017, the Group and the Target Groups did not have other debt securities issued and outstanding, and authorized or otherwise created but unissued, outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or material contingent liabilities.

As at the Latest Practicable Date, the Directors were not aware of any contingent liabilities or any material adverse change in the indebtedness position of the Group since 30 September 2017.

#### **4. WORKING CAPITAL**

The Directors are of the opinion that, taking into account the financial resources available to the Enlarged Group, including the internally generated funds and the facilities from banks and a related party and the available short-term commercial paper facilities, the Enlarged Group has, in the absence of unforeseeable circumstances, sufficient working capital for its present requirement for the next twelve months from the date of this Prospectus.

#### **5. THE ACQUISITIONS**

On 9 October 2017, the Company announced that it had entered into Agreement I and Agreement II, pursuant to which the Company has conditionally agreed to acquire the entire equity interest in Target Companies I at an aggregate consideration of RMB4,852,240,000 (equivalent to approximately HK\$5,708,517,600) and the entire equity interest in Target Companies II at an aggregate consideration of RMB117,081,000 (equivalent to approximately HK\$137,742,400). The consideration payable under the Agreement I and Agreement II is expected to be satisfied by way of cash payment or as the Company may direct net of such amount as may be payable by CPI Holding as a shareholder to the Company pursuant to the Rights Issue and the remaining portion of the consideration will be satisfied in cash. The Company proposes to fund the consideration by using a combination of proceeds raised from the Rights Issue and internal resources.

The Target Companies are principally engaged in clean energy power generation, mainly including hydropower, natural gas power, wind power and photovoltaic power.

There is no variation to the remuneration payable to and benefits in kind receivable by the Directors in consequence of the above-mentioned acquisition.

**6. MATERIAL CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material change in the financial or trading position or prospect of the Group since 31 December 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED UNAUDITED  
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following unaudited pro forma statement of adjusted unaudited consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of China Power International Development Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) attributable to owners of the Company has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue of 2,451,721,580 Rights Shares on the basis of one Rights Share for every three Existing Shares held on the Record Date (as defined in the Prospectus) at HK\$1.82 per Rights Share (the “Rights Issue”) on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 June 2017 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Rights Issue as at 30 June 2017 or at any future dates.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017, as extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2017 as set out in the published interim report of the Company for the six months ended 30 June 2017, and is adjusted for the effect of the Rights Issue described below.



	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 immediately after completion of the Rights Issue <i>RMB'000</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 per Share <i>RMB</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 immediately after completion of the Rights Issue per Share <i>RMB</i> <i>(Note 4)</i>
Rights Issue of 2,451,721,580 Rights Shares to be issued at Subscription Price of HK\$1.82 per Rights Share	25,666,517	3,827,555	29,494,072	3.49	3.01

*Notes:*

- (1) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately RMB25,666,517,000 as at 30 June 2017 is calculated based on the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately RMB26,501,682,000 as at 30 June 2017 after deducting goodwill of approximately RMB835,165,000 as extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2017 as set out in the published interim report of the Company for the six months ended 30 June 2017.
- (2) The estimated net proceeds from the Rights Issue are based on the number of Rights Shares of 2,451,721,580 to be issued (as defined in this Prospectus) at the Subscription Price of HK\$1.82 per Rights Share, calculated at the exchange rate of RMB0.8679 to HK\$1.00 and after deducting of the estimated related expenses of approximately RMB45,131,000 (equivalent to approximately HK\$52,000,000).
- (3) The calculation of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 per Share is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately RMB25,666,517,000 divided by the number of shares in issue of 7,355,164,741 as at 30 June 2017.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 immediately after the completion of the Rights Issue per Share is arrived at on the basis that 9,806,886,321 Shares, which represents 7,355,164,741 Shares in issue as at 30 June 2017 and 2,451,721,580 of Rights Shares to be issued.

- (5) This Unaudited Pro Forma Financial Information contains translation between Renminbi and Hong Kong dollars at RMB0.8679 to HK\$1.00, the prevailing rate of the People's Bank of China on 30 June 2017. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted to Renminbi, or vice versa, at that rate or at any other rate.
- (6) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2017, including but not limited to the effect of the proposed acquisition of the Company to acquire the entire equity interests in SPIC Guangdong Power Company Limited (excluding CPI Qian Zhan Gang Dian Company Limited), SPIC Guangxi Power Company Limited and China Power (Sihui) Cogeneration Company Limited, and the proposed acquisition of the Company to acquire the entire equity interests in SPIC Anhui New Energy Development Co., Ltd., SPIC Hubeilvdong New Energy Co., Ltd., SPIC Shandong Energy Development Co., Ltd. and SPIC Shouxian New Energy Development Co., Ltd., as disclosed in the circular of the Company dated 23 October 2017.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of the independent reporting accountants' assurance report received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants Hong Kong, in respect of the Group's unaudited pro forma financial information for the purpose of incorporation in this prospectus.*

**Deloitte.****德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of China Power International Development Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Power International Development Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2017 and related notes as set out on page II-1 to II-3 of the prospectus issued by the Company dated 24 November 2017 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page II-1 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue of 2,451,721,580 Rights Shares on the basis of one Rights Share for every three Existing Shares held on the Record Date (as defined in the Prospectus) at HK\$1.82 per Rights Share (the "Rights Issue") on the Group's unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2017 as if the Rights Issue had taken place on 30 June 2017. As part of this process, information about the Group's financial statements for the six months ended 30 June 2017 on which a review report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong, 24 November 2017

## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL AND SHARE OPTIONS

### (1) Share capital

The Company does not have an authorized share capital nor any nominal value of Shares in its capital. The number of issued Shares of the Company (i) as at the Latest Practicable Date and (ii) immediately after completion of the Rights Issue is set out as follows:

#### (i) As at the Latest Practicable Date

Issued and fully paid:

7,355,164,741 Shares

#### (ii) Immediately after completion of the Rights Issue

Issued and fully paid:

7,355,164,741	Shares
2,451,721,580	Rights Shares
<u>9,806,886,321</u>	Total

All the Existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, issued and fully-paid or credited as fully-paid) will rank *pari passu* with the then Existing Shares in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of such Rights Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save as the Outstanding Options disclosed in paragraph 2(2) below, the Company did not have any outstanding warrants, options or securities convertible into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

## (2) Share options

Details of the Outstanding Options as at the Latest Practicable Date were as follows:

Name of grantee	Number of underlying Shares subject to Outstanding Options of the Company	Date of grant	Exercise price per Share (HK\$)	Exercise period
<b>Director</b>				
GUAN Qihong	400,000	2 July 2008	2.326	2 July 2008 to 1 July 2018
<b>Other employees</b>	10,940,000	2 July 2008	2.326	2 July 2008 to 1 July 2018
<b>Total:</b>	<b><u>11,340,000</u></b>			

Save as disclosed in this paragraph 2(2), the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Enlarged Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, no share capital of the Company or any members of the Enlarged Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted.

## 3. DISCLOSURE OF INTERESTS

### (a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of



the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (“**Model Code**”) were as follows:

Name of Directors	Capacity	Name of company in which interest are held	Date of grant	Number of underlying shares interested under physically settled equity derivatives <sup>(1)(2)</sup>	Percentage of issued share capital of the Company (%) <sup>(2)</sup>	Long/short position
GUAN Qihong	Beneficial owner	the Company	2 July 2008	400,000	0.0054	Long

*Notes:*

- (1) The interests of the above Director in the underlying Shares of the Company represent the share options granted to him under the Share Option Scheme by the Company.
- (2) Number of shares of and interests in the relevant company as of the Latest Practicable Date, i.e., without taking account of any Rights Shares to be issued pursuant to the Rights Issue. The percentage is calculated with reference to the total issued Shares of the relevant Company as at the Latest Practicable Date.
- (3) The above Director has no interest in any securities of the Company (except for interests held under equity derivatives disclosed above).

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Substantial Shareholders**

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following substantial shareholders had an interest or short position in the shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of shareholders	Capacity	Number of shares in which interested other than under equity derivatives <sup>(3)(4)</sup>	Percentage of issued share capital of the Company (%) <sup>(4)</sup>	Long/short position
CPDL	Beneficial owner	2,662,000,000	36.19	Long
CPI Holding <sup>(1)</sup>	Interest of a controlled corporation	2,662,000,000	36.19	Long
	Beneficial owner	2,791,518,061	37.95	Long
SPIC <sup>(2)</sup>	Interest of a controlled corporation	5,453,518,061	74.14	Long

*Notes:*

1. CPI Holding is the beneficial owner of CPDL and therefore CPI Holding is deemed to be interested in the Shares of the Company owned by CPDL for the purposes of the SFO.
2. SPIC is the beneficial owner of CPI Holding and therefore SPIC is deemed to be interested in the Shares of the Company owned by CPI Holding for the purposes of the SFO.
3. SPIC, CPI Holding and CPDL do not have any interest in the equity derivatives of the Company.
4. Number of Shares of and interests in the Company as of the Latest Practicable Date, i.e., after taking into account the interest of CPI Holding and CPDL in the Rights Shares pursuant to the Irrevocable Undertaking. The percentage is calculated with reference to the total issued Shares of the Company as at the Latest Practicable Date (i.e. 7,355,164,741 Shares).

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any person (other than a Director) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

**4. DIRECTORS' INTERESTS IN CONTRACT AND ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2016, being the date of the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Enlarged Group or were proposed to be acquired or disposed of by or leased to, any member of the Enlarged Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into with any member of the Enlarged Group, which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Enlarged Group taken as a whole.

**5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or is proposed to enter, into a service contract with any member of the Enlarged Group, excluding contracts expiring or determinable by the Enlarged Group within one year without payment of compensation (other than statutory compensation).

**6. LITIGATION**

So far as the Directors are aware, there was no litigation, claims of material importance pending or threatened against any member of the Enlarged Group as at the Latest Practicable Date.

## 7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed below, none of the Directors and their associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

<b>Name of the Director</b>	<b>Position(s) within the Company</b>	<b>Other Interests</b>
YU Bing	Chairman and Executive Director	Chairman and director of CPI Holding and director of CPDL
TIAN Jun	Executive Director and President	Director and general manager of CPI Holding
GUAN Qihong	Non-executive Director	Chief capital market officer of the Strategic Planning Department of SPIC, director of CPI Holding and director of SPIC Financial Co., Ltd.* (國家電投集團財務有限公司)
WANG Xianchun	Non-executive Director	Special duty director and supervisor of SPIC and director of CPI Holding

Save as disclosed above, none of the Directors is holding any position as a director or employee of CPDL, CPI Holding or SPIC.

## 8. EXPERTS AND CONSENTS

The following is the qualification of the expert who has been named in this Prospectus or has agreed to the inclusion of its report in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants

Deloitte Touche Tohmatsu had given and had not withdrawn its written consent to the issue of this Prospectus with the inclusion of its independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Company and its subsidiaries dated 24 November 2017 and the references thereto and to it, in the form and context in which they are included.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in the Company or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any of its subsidiaries.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect interest in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Enlarged Group.

## 9. MATERIAL CONTRACTS

The Enlarged Group had entered into the following contracts within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date which are contracts not being in the ordinary course of business of the Enlarged Group or may be material:

- (i) Agreement I;
- (ii) Agreement II;
- (iii) the cooperative framework agreement dated 2 March 2016 entered into between Three Gorges Capital Holdings Co., Ltd. (三峽資本控股有限責任公司) and the Company as joint purchasers and Sichuan Hydropower Investment & Management Group Co., Ltd. (四川省水電投資經營集團有限公司) (“Sichuan Hydropower”), pursuant to which each of the joint purchasers intended to subscribe for share capital of Sichuan Energy Investment Development Co., Ltd.\* (四川能投發展股份有限公司) (“Sichuan Energy Investment”), a subsidiary of Sichuan Hydropower, at a consideration not exceeding RMB200,000,000 respectively, representing 12.71% equity interest of Sichuan Energy Investment;
- (iv) the share transfer agreement dated 28 December 2015 entered into between the Company as transferee and Henan Shen Huo Coal Industry and Electricity Power Co., Ltd.\* (河南神火煤電股份有限公司) as transferor in relation to the purchase of the entire equity interest in China Power (Shang Qiu) Cogeneration Company Limited\* (商丘民生熱電有限公司 (now renamed to 中電(商丘)熱電有限公司)) for a total consideration of RMB114,629,496.51;
- (v) the Set-off Agreement I;
- (vi) the Set-off Agreement II; and
- (vii) the Underwriting Agreement.

**10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

Registered office and principal place of business in Hong Kong	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Authorized representatives	Mr. YU Bing and Ms. CHEUNG Siu Lan Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Company secretary	Ms. CHEUNG Siu Lan
Sole Underwriter of the Rights Issue	Merrill Lynch Far East Limited 55/F, Cheung Kong Center 2 Queen's Road Central, Hong Kong
Legal advisers to the Company in respect of the Rights Issue	<i>As to Hong Kong and US laws:</i> Slaughter and May 47th Floor, Jardine House One Connaught Place, Central, Hong Kong
Legal advisers to the Sole Underwriter of the Rights Issue	<i>As to Hong Kong and US laws:</i> Sullivan & Cromwell (Hong Kong) LLP 28th Floor, 9 Queen's Road Central Hong Kong
Auditor and reporting accountant	Deloitte Touche Tohmatsu Certified Public Accountants 35/F, One Pacific Place 88 Queensway, Hong Kong
Share registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

Principal bankers	Bank of China Limited No. 1 Fuxingmen Nei Dajie, Beijing, China, 100818  Industrial and Commercial Bank of China Limited 55 Fuxingmennei Avenue, Xicheng District, Beijing, China, 100140  China Construction Bank Corporation No. 25, Financial Street, Xicheng District, Beijing, China 100033  Agricultural Bank of China Limited No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, China, 100005  Bank of Communications Co., Ltd. No. 188, Yin Cheng Zhong Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, China, 200120
Stock code	02380
Website	<a href="http://www.chinapower.hk">http://www.chinapower.hk</a>

## 11. EXPENSES

The expenses in connection with the Rights Issue (including advisory and other professional expenses) are estimated to be approximately HK\$52 million, which are payable by the Company.



## 12. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

## (a) Name and address of Directors and senior management

Name	Business Address
<i>Executive Directors</i>	
Mr. YU Bing ( <i>Chairman</i> )	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. TIAN Jun ( <i>President</i> )	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
<i>Non-executive Directors</i>	
Mr. GUAN Qihong	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. WANG Xianchun	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. KWONG Che Keung, Gordon	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. LI Fang	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. YAU Ka Chi	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
<i>Senior Management</i>	
Mr. HUANG Yuntao	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. HE Lianhui	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. SUN Guigen	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. ZENG Xuefeng	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Ms. XU Wei	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong
Mr. SHOU Rufeng	Suite 6301, 63/F., Central Plaza 18 Harbour Road, Wanchai, Hong Kong

**(b) Profiles of Directors and senior management***Executive Directors*

**Mr. YU Bing, aged 50**, is the Chairman of the Board, an Executive Director and the Chairman of the Executive Committee and the Risk Management Committee. He joined the Group in 2014. He is a senior engineer and has a bachelor degree in thermal power engineering from Xi'an Jiaotong University and an executive master of business administration degree from Tsinghua University. Mr. YU is currently the chairman and a director of CPI Holding. He also serves as a director of CPDL. He previously served as the general manager of Pingdingshan Yaomeng Power Company Limited, the general manager of China Power Maintenance Engineering Company Limited (中電電力檢修工程有限公司), the deputy general manager of CPI Northeast China Power Company Limited (中電投東北電力有限公司) and the deputy general manager of Shandong Nuclear Power Company Limited (山東核電有限公司).

**Mr. TIAN Jun, aged 51**, is an Executive Director, the President of the Company and the member of the Executive Committee. He joined the Group in 2017. Mr. TIAN is a senior engineer at professor level and has a master of engineering degree from Taiyuan University of Technology. Mr. TIAN is currently a director and the general manager of CPI Holding. He previously served as the general manager of Hejin Power Branch of Zhangze Electric Power Co., Ltd. (漳澤電力股份有限公司), the vice general manager and the chief engineer of CPI Power Operation Co., Ltd. (中電投發電運營有限公司), the vice general manager of CPI Xinjiang Energy Co., Ltd. (中電投新疆能源有限公司), the deputy director of the Safety and Environmental Protection Department of SPIC (formerly known as China Power Investment Corporation, "CPIC"). From June 2015 to April 2017, Mr. TIAN was a director and the general manager of State Power Investment Corporation Yuanda Environmental Protection Co., Ltd. (國家電投集團遠達環保股份有限公司), whose shares are listed on the Shanghai Stock Exchange.

*Non-executive Directors*

**Mr. GUAN Qihong, aged 55**, is a non-executive Director. He joined the Group in 2008. Mr. GUAN is a senior economist and a senior auditor and has a bachelor of engineering degree from Huazhong Institute of Technology, a master degree in economics from Zhongnan University of Economics and a doctoral degree in economics from Xiamen University. Mr. GUAN is currently the chief capital market officer of the Strategic Planning Department of SPIC, a director of the SPIC Financial Co., Ltd.\* (國家電投集團財務有限公司, formerly known as CPI Financial Co., Ltd.\*, 中電投財務有限公司) and a director of the CPI Holding. He previously served as the commissioner of Asset Assessment Centre of National Asset Management Bureau, the deputy secretary-general of China Appraisal Society, the assistant to the head of Finance and Property Ownership Management Department of the State Power Corporation of China, the chief economist of State Grid Shenzhen Energy Development Group Co., Ltd and the supervisor of the Capital Market and Equity Department of the CPIC).

**Mr. WANG Xianchun, aged 55**, is a non-executive Director. He joined the Group in 2017. Mr. WANG is a senior engineer and has a bachelor degree in power engineering for hydropower plant from Wuhan University of Water and Power Resources. Mr. WANG is currently a director of CPI Holding, a special duty director and supervisor of SPIC. He previously served as the deputy manager of the Planning and Development Department of CPIC, the supervisor of the Department of Integrated Industry of CPIC, the general manager of the branch company of CPIC in Southern China, an executive director and the general manager of CPI Southern Power Co., Ltd. (中電投南方電力有限公司) and an executive director of SPIC Guangdong Power Co., Ltd. (國家電投集團廣東電力有限公司).

*Independent Non-executive Directors*

**Mr. KWONG Che Keung, Gordon, aged 68**, is an independent non-executive Director, the chairman of the Audit Committee, a member of the Remuneration and Nomination Committee and the Risk Management Committee. He joined the Group in 2004. Mr. KWONG is currently an independent non-executive director of a number of companies listed in Hong Kong and Athens, including NWS Holdings Limited, OP Financial Investments Limited, Global Digital Creations Holdings Limited, Henderson Land Development Company Limited, Henderson Investment Limited, Agile Property Holdings Limited, Chow Tai Fook Jewellery Group Limited, FSE Engineering Holdings Limited and Piraeus Port Authority S.A.. Mr. KWONG was a partner of Pricewaterhouse from 1984 to 1998 and was a council member of the Stock Exchange from 1992 to 1997. Mr. KWONG has a bachelor of social science degree from The University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales and a fellow member of Hong Kong Institute of Certified Public Accountants.

**Mr. LI Fang, aged 55**, is an independent non-executive Director, the chairman of the Remuneration and Nomination Committee, a member of the Audit Committee and the Risk Management Committee. He joined the Group in 2004. Mr. LI has a bachelor of mechanical engineering degree from Beijing University of Science and Technology and a juris doctoral degree from the College of Law of Arizona State University in the United States in 1995. Mr. LI is currently an independent non-executive director of China Power Clean Energy Development Company Limited. Mr. LI has extensive experience in business management and corporate finance. He previously served as an executive director of Goldman Sachs (Asia) L.L.C. and a lawyer with Davis Polk and Wardwell LLP in the United States.

**Mr. YAU Ka Chi, aged 59**, is an independent non-executive Director, a member of the Remuneration and Nomination Committee, the Audit Committee and the Risk Management Committee. He joined the Group in 2016. Mr. YAU has over 30 years of professional accounting experience including 20 years in serving China enterprises. He had worked for Ernst & Young for over 20 years in its Hong Kong, Toronto and Beijing offices with primary focus in providing professional services in accounting and audit, initial public offering, and corporate restructuring before retiring in September 2015. During his professional career with Ernst & Young, Mr.

YAU had been appointed as the professional practice director of Greater China, the assurance leader for China North Region, the oil & gas industry leader of Greater China and the assurance leader of the Energy & Resources Markets Segment of Greater China. Mr. YAU is currently an independent non-executive director of Yihai International Holding Ltd. and China Mengniu Dairy Company Limited, both companies are listed on the Main Board of the Stock Exchange. Mr. YAU holds a professional diploma in company secretaryship and administration from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and is a member of the American Institute of Certified Public Accountants, the Illinois Certified Public Accountants Society and the Hong Kong Institute of Certified Public Accountants. Mr. YAU also holds a certified public accountant license issued by the Illinois Department of Financial and Professional Regulation, the United States.

#### *Senior Management*

**Mr. HUANG Yuntao, aged 52**, is a vice president of the Company. He joined the Group in 2004. Mr. HUANG is a senior engineer. He graduated from HeFei University of Technology with a bachelor degree in power system and automation. Mr. HUANG also acts as the vice general manager of CPI Holding. He was involved in the works of the Group's power plants prior to the Company's listing in 2004. He previously served as the chief human resource officer of the Company, the chief human resource office of CPI Holding, the general manager of Wuhu Electric Power Generating Company Limited\* (蕪湖發電有限責任公司) and the general manager of the information technology department of CPI Holding.

**Mr. HE Lianhui, aged 47**, is the financial controller of the Company. Mr. HE is a senior accountant. He graduated from Dongbei University of Finance and Economics with a master degree in Accounting. Mr. HE also acts as the financial controller of CPI Holding. He joined the Group in 2012. Mr. HE previously served as the chief accountant of Jilin Power Supply Bureau\* (吉林市供電局), the deputy head of the finance department of Jilin Province Electric Power Company Limited\* (吉林省電力有限公司), the general manager of the finance and property management department and the finance department of CPI Holding, the deputy chief accountant of CPI Holding, the financial controller of Wu Ling Power Corporation\* (五凌電力有限公司) and the financial controller of the Hunan Branch of CPIC.

**Mr. SUN Guigen, aged 51**, is the chief engineer of the Company. He joined the Group in 2004. Mr. SUN is a senior engineer. He graduated from Shanghai University of Finance and Economics with an executive master of business administration degree. Mr. SUN also acts as the chief engineer of CPI Holding. He was involved in the works of the Group's power plants prior to the Company's listing in 2004. He previously served as the deputy chief engineer of the Company, the deputy chairman of Jiangsu Changshu Electric Power Generating Company Limited\* (江蘇常熟發電有限公司), the chairman of Sichuan CPI Fuxi Power Plant Company Limited\* (四川中電福溪電力開發有限公司), the general manager of Huanggang Dabieshan Power Company Limited\* (黃岡大別山發電有限責任公司), the vice

general manager of China Power Maintenance Engineering Company Limited\* (中國電力檢修工程有限公司) and the vice general manager of Anhui Huainan Pingwei Electric Power Company Limited\* (安徽淮南平圩發電有限責任公司).

**Mr. ZENG Xuefeng, aged 41**, is a vice president of the Company. Mr. ZENG is a senior engineer. He graduated from Shanghai Jiao Tong University with a bachelor degree in thermal power engineering and a master degree in power engineering. Mr. ZENG also acts as the head of disciplinary commission and the acting chairman of labour committee of CPI Holding. He joined the Group in 2016. He previously served as the secretary of the disciplinary commission of SPIC, the general manager of Shanghai-Electric-Power Caojing Power (Shanghai) Co., Ltd., the head of the General Office of Shanghai Power, the deputy general manager of Huaihu Coal Power Co., Ltd. and the factory director of Tianji Power Plant.

**Ms. XU Wei, aged 44**, is a vice president and the chief legal advisor of the Company. Ms. XU holds a bachelor degree in law from China University of Political Science and Law, an LLM from Peking University and a lawyer qualification in China. Ms. XU also acts as the deputy general manager and chief legal advisor of CPI Holding. She joined the Group in 2004. She previously served as the head of the General Office of the Board of Directors and the general manager of the Legal Affairs Department of the Company and CPI Holding.

**Mr. SHOU Rufeng, aged 43**, is a vice president of the Company. He joined the Group in 2004. Mr. SHOU is a certified public accountant. He graduated from Renmin University of China with a bachelor degree in economics and Cranfield University with a master degree in business administration. Mr. SHOU also acts as the deputy general manager of CPI Holding. He was involved in the capital planning of the Group prior to the Company's listing in 2004. He previously served as the senior manager of the Capital Markets & Investor Relations Department of CPI Holding, the capital operations director and the general manager of the Capital Markets & Investor Relations Department of the Company and CPI Holding.

### 13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Rights Issue Documents and the written consent given by Deloitte Touche Tohmatsu as referred to in the section headed "Experts and Consents" in this Appendix III have been delivered to the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### 14. LEGAL EFFECT

The Rights Issue Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all person concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**15. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL**

A significant part of the Group's turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Under the PRC existing foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which are required to be registered with or approved by the competent bank or governmental authority according to applicable PRC laws and regulations, such registration or approval shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

**16. MISCELLANEOUS**

- (a) The company secretary of the Company is Ms. CHEUNG Siu Lan. Ms. CHEUNG is a fellow member of The Hong Kong Institute of Chartered Secretaries, The Institute of Chartered Secretaries and Administrators in the United Kingdom, Hong Kong Institute of Certified Public Accountants and CPA Australia. She has a bachelor degree in commerce from The University of Queensland, Australia and obtained a master degree in professional accounting and a postgraduate diploma in corporate administration from The Hong Kong Polytechnic University. Ms. CHEUNG previously served as the company secretary and the group financial controller of a listed group in Hong Kong. She has extensive experience in the fields of corporate governance, corporate finance and mergers and acquisitions.
- (b) The English text of this Prospectus shall prevail over the Chinese text in the event of inconsistency.

**17. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours in any weekday (excluding Saturdays, Sundays and public holidays) at the office of the Company at Suite 6301, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for a period of 14 days from the date of this Prospectus:

- (a) the Articles of the Company;



- (b) the annual reports of the Company for the years ended 31 December 2014, 2015 and 2016;
- (c) the interim report of the Company for the six months ended 30 June 2017;
- (d) the report from Deloitte Touche Tohmatsu regarding the Unaudited Pro Forma Financial Information as set out in Appendix II to this Prospectus;
- (e) the written consent given by Deloitte Touche Tohmatsu referred to in the paragraph headed “Experts and Consents” in this Appendix;
- (f) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix;
- (g) circular dated 23 October 2017 issued by the Company in connection with the transactions contemplated under Agreement I and Agreement II; and
- (h) this Prospectus.