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China Power International Development Limited

中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 2380)

CONTINUING CONNECTED TRANSACTION

Renewal of a Lease Agreement by Wu Ling Power

The Board announces that Wu Ling Power (a 63%-owned subsidiary of the Company) entered into the Wu Ling Lease Agreement on 8 June 2012 with Qian Dong Power in relation to the renewal of a tenancy of the Transmission Lines and Switching Station.

Qian Dong Power is a non-wholly owned subsidiary of CPI Holding and CPI Holding is the controlling shareholder of the Company which is interested in approximately 69% of the issued share capital of the Company. Accordingly, Qian Dong Power is a connected person of the Company within the meaning of the Listing Rules. As such, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The maximum annual rent payable by Qian Dong Power to Wu Ling Power under the Wu Ling Lease Agreement amounts to RMB54,110,000 (equivalent to approximately HK\$66,802,469). The applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 0.1% but less than 5%. Accordingly, the Wu Ling Lease Agreement is subject to announcement and reporting requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the Wu Ling Lease Agreement will be included in the next published annual report and accounts of the Company pursuant to Rule 14A.45 of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Wu Ling Lease Agreement is entered into in the ordinary course of the Company's business, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board announces that Wu Ling Power entered into the Wu Ling Lease Agreement on 8 June 2012 with Qian Dong Power in relation to the renewal of a tenancy of the Transmission Lines and Switching Station.

WU LING LEASE AGREEMENT

Date

8 June 2012

Parties

- (i) Wu Ling Power (the lessor); and
- (ii) Qian Dong Power (the lessee).

Principal terms and annual cap

- The term of the Wu Ling Lease Agreement is from 9 June 2012 to 31 December 2013.
- The rent of the Transmission Lines and Switching Station is determined based on the investment and construction costs of Wu Ling Power. Both parties agreed that the annual rent is RMB54,110,000 (equivalent to approximately HK\$66,802,469) within the lease period. According to Wu Ling Lease Agreement, the total amount of rent for the whole term is RMB84,648,800 (equivalent to approximately HK\$104,504,691).
- Under the Wu Ling Lease Agreement, from the commencement date of the lease period, the rent should be payable annually by Qian Dong Power before the 10th of January the following year for the rent due up to the immediate calendar year-end to Wu Ling Power.
- Wu Ling Power has the right to terminate the Wu Ling Lease Agreement unilaterally by giving one month prior written notice to Qian Dong Power. In occurrence of any matter that required terminating the Wu Ling Lease Agreement, the rent should be settled pro rata to the actual number of rental days and should be paid within 15 days from the termination date of the agreement.

REASONS AND BENEFITS FOR THE TRANSACTION

Before the Group completed the acquisition of Wu Ling Power by the end of 2009, Qian Dong Power has been using the Transmission Lines and Switching Station which were invested and constructed by Wu Ling Power for transmission of electricity to Hunan power grid. The Transmission Lines and Switching Station lease agreement signed by Wu Ling Power and Qian Dong Power on 8 June 2009 has expired on 8 June 2012, both parties agreed to renew the lease.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Wu Ling Lease Agreement is entered into in the ordinary course of the Company's business, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the transaction of the Wu Ling Lease Agreement or is required to abstain from voting on the board resolution.

PRINCIPAL BUSINESS OF THE GROUP AND CPI HOLDING

The Company is the listed flagship company outside the PRC of CPI Group. The CPI Group is one of the five national power generation groups in China, and operates power plants spread across 28 provinces, municipalities and autonomous regions in the PRC. CPI Holding is wholly-owned by CPI Group and owns and operates coal-fired and hydroelectric power plants in the PRC. As at the date of this announcement, CPI Group, through CPI Holding and CPDL, owns approximately 69% of the issued share capital of the Company.

The principal business of the Group is to develop, construct, own, operate and manage large power plants in the PRC. The Company owns and operates high-capacity coal-fired power plants and hydro-power plants. The Company also manages on behalf of its controlling shareholders two other power plants in the PRC.

PRINCIPAL BUSINESS OF WU LING POWER

Wu Ling Power was incorporated in the PRC on 3 May 1995 and registered as a Sino-foreign joint venture with limited liability on 11 April 2006. As at the date of this announcement, its registered capital is RMB4,242,000,000. Wu Ling Power is held by the Company and 湖南湘投國際投資有限公司 (Hunan Xiangtou International Investment Limited*) as to 63% and 37% respectively.

Wu Ling Power is principally engaged in the development, production and supply of hydropower in Hunan and Guizhou.

PRINCIPAL BUSINESS OF QIAN DONG POWER

Qian Dong Power was incorporated on 11 November 2004 in the PRC with limited liability. The registered capital is RMB200,000,000. Qian Dong Power is held by the CPI Holding, 貴州水城礦業（集團）有限責任公司 (Guizhou Shuicheng Mining Industry (Group) Company Limited*) and 黔東南苗族侗族自治州地方電力總公司 (Qiandongnan Miao and Dong Autonomous Prefecture Regional Power Corporation*) as to 75%, 20% and 5% respectively.

Qian Dong Power is principally engaged in the development, construction, and operation and management of electric power.

COMPLIANCE WITH THE LISTING RULES

Qian Dong Power is a non-wholly owned subsidiary of CPI Holding and CPI Holding is the controlling shareholder of the Company which is interested in approximately 69% of the issued share capital of the Company. Accordingly, Qian Dong Power is a connected person of the Company within the meaning of the Listing Rules. As such, the Wu Ling Lease Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The rent payable by Qian Dong Power to Wu Ling Power under the Wu Ling Lease Agreement amounts to RMB30,538,800 (equivalent to approximately HK\$37,702,222) and RMB54,110,000 (equivalent to approximately HK\$66,802,469) respectively for the period from 9 June 2012 to 31 December 2012 and for the financial year ended 31 December 2013. The maximum annual rent of RMB54,110,000 (equivalent to approximately HK\$66,802,469) therefore the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 0.1% but less than 5%. Accordingly, the Wu Ling Lease Agreement is subject to announcement and reporting requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the Wu Ling Lease Agreement will be included in the next published annual report and accounts of the Company pursuant to Rule 14A.45 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“CPDL”	China Power Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CPI Holding
“CPI Group”	中國電力投資集團公司 (China Power Investment Corporation*), a wholly State-owned enterprise established by 中華人民共和國國務院 (the State Council of the PRC*)
“CPI Holding”	China Power International Holding Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CPI Group
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC” or “China”	the People’s Republic of China (for the purpose of the announcement excluding the Special Administrative Regions of Hong Kong and Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Qian Dong Power”	貴州黔東電力有限公司 (Guizhou Qian Dong Power Corporation*), a company incorporated in PRC and a non-wholly owned subsidiary of CPI Holding
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transmission Lines and Switching Station”	100km of the 500,000-volt lines double back on the same tower and a 500,000-volt switching station in Xiangxi which were invested, constructed and owned by Wu Ling Power
“Wu Ling Lease Agreement”	the agreement entered into between Wu Ling Power and Qian Dong Power for leasing the Transmission Lines and Switching Station on 8 June 2012
“Wu Ling Power”	五凌電力有限公司 (Wu Ling Power Corporation*), a company incorporated in PRC and a 63%-owned subsidiary of the Company

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.81 to HK\$1.00. The translation shall not be taken as representation that the Renminbi could actually be converted into Hong Kong dollars at that rate, or at all.

By order of the Board
China Power International Development Limited
Li Xiaolin
Chairman

Hong Kong, 8 June 2012

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