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China Power International Development Limited

中國電力國際發展有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 2380)

CONNECTED TRANSACTIONS

Project Tender and Facilities Services Agreements

On 15 August 2017, each of Pu'an Power Plant and Shangqiu Power Plant individually entered into a Project Tender and Facilities Services Agreement with CEC pursuant to which the Agent has been engaged to provide project tender and facilities services for each of Project Pu'an and Project Shangqiu.

CEC is a subsidiary of SPIC. SPIC is the ultimate controlling shareholder of the Company, which is interested in approximately 55.61% of the issued share capital of the Company. As such, CEC is a connected person of the Company as defined in the Listing Rules. Accordingly, the Project Tender and Facilities Services Agreements constitute connected transactions of the Company under the Listing Rules.

The total consideration payable by the Employers to the Agent pursuant to the Project Tender and Facilities Services Agreements amounted to RMB23,500,000 (equivalent to approximately HK\$27,647,000). As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Project Tender and Facilities Services Agreements exceed 0.1% but fall below 5%, the Transactions are therefore subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 15 August 2017, each of Pu'an Power Plant and Shangqiu Power Plant individually entered into a Project Tender and Facilities Services Agreement with CEC pursuant to which the Agent has been engaged to provide project tender and facilities services for each of Project Pu'an and Project Shangqiu.

PROJECT TENDER AND FACILITIES SERVICES AGREEMENTS

There were altogether **two** Project Tender and Facilities Services Agreements signed for each of the following projects, namely Project Pu'an and Project Shangqiu.

Principal terms of the Project Tender and Facilities Services Agreements of the two Projects

Date:

15 August 2017

Parties and Projects:

(1) Project Pu'an

- (i) Pu'an Power Plant (the "Employer"), and
- (ii) CEC (the "Agent").

The project involves the construction of two 660MW super-critical coal-fired power generating units in Guizhou Province of the PRC.

(2) Project Shangqiu

- (i) Shangqiu Power Plant (the "Employer"), and
- (ii) CEC (the "Agent").

The project involves the construction of two 350MW super-critical coal-fired power co-generating units in Henan Province of the PRC.

Services to be provided by the Agent:

The services provided by the Agent for each of the Projects which include technical assistance and consultancy in relating to: (i) calling of tenders for the construction of the main power generating units, all their ancillary facilities, machinery and equipment; (ii) supervising the construction of the ancillary facilities and manufacture of machinery and equipment; and (iii) acting as the agent for purchasing imported machinery, equipment and materials.

Consideration:

(1) Project Pu'an

Service fee: RMB13,500,000 (equivalent to approximately HK\$15,882,000)

(2) Project Shangqiu

Service fee: RMB10,000,000 (equivalent to approximately HK\$11,765,000)

All taxes incurred in relation to the Projects under the Project Tender and Facilities Services Agreements shall be borne and paid by the Agent according to the relevant tax laws, rules and regulations in the PRC.

Payment terms:

The **service fee** is payable by installments after specific progresses have been made, as follows:

<i>Installments</i>	<i>Progress made</i>	<i>% of service fee payable</i>
1.	After the Project Tender and Facilities Services Agreement has been signed and becomes effective	30%
2.	Within one month after completing the tender for the last batch of ancillary facilities, machinery and equipment	10%
3.	Within one month after the date of completion of the manufacturing of the first mainframe of the first power generating unit	20%
4.	Within one month after the date of completion of the manufacturing of the last mainframe of the second power generating unit	20%
5.	Within one month after the date of passing of certain specified trial runs of the first power generating unit	5%
6.	Within one month after the date of passing of certain specified trial runs of the second power generating unit	5%
7.	After the expiry of the warranty period for the first power generating unit	5%
8.	After the expiry of the warranty period for the second power generating unit	5%

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The Group awarded the Project Tender and Facilities Services Agreements to CEC following a competitive tendering process. The consideration payable under the Project Tender and Facilities Services Agreements is compatible to the prevailing rates or is at better terms than those charged by other service companies for comparable jobs in the market. The Directors are of the view that the consideration and the terms of the Project Tender and Facilities Services Agreements are no less favourable to the Group than those available from independent third parties.

The Directors are of the view that CEC possesses the relevant experience and expertise in the provision of relevant services for large scale power plants and ancillary facilities construction projects. The Agent is among the leading power plant contracting and equipment tender agent service companies in the PRC. Also, the Project Tender and Facilities Services Agreements are essential to ensure the successful completion of the Projects.

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, two Project Tender and Facilities Services Agreements are entered into in the ordinary course of the business of the Company, 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 Transactions or is required to abstain from voting on the Board resolution.

INFORMATION ON THE GROUP

The Company is a core subsidiary of SPIC for conventional energy business. SPIC is the only one integrated energy group which simultaneously owns coal-fired power, hydropower, nuclear power and renewable energy resources in the PRC.

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.

INFORMATION ON THE AGENT

CEC is a subsidiary of SPIC established in 1993 which is principally engaged in provision of technical assistance and consultancy for tendering, procurement, production supervision, general power facilities contracting and other agency services for use in the power industry in China. CEC is qualified as a Grade A certified Central Investment Project Tendering Agent, a Grade A project tendering agent and a Grade A certified project consulting firm in China. CEC is a reputable power plant complete facilities manufacturing and supervision company in the PRC.

COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, SPIC owns approximately 55.61% of the issued share capital of the Company. As SPIC is the ultimate controlling shareholder of the Company, SPIC, its subsidiaries and associates are connected persons of the Company within the meaning of the Listing Rules.

As CEC is a subsidiary of SPIC, CEC is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Project Tender and Facilities Services Agreements constitute connected transactions of the Company under the Listing Rules.

The total consideration payable by the Employers to the Agent pursuant to the Project Tender and Facilities Services Agreements amounted to RMB23,500,000 (equivalent to approximately HK\$27,647,000). As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Project Tender and Facilities Services Agreements exceed 0.1% but fall below 5%, the Transactions are therefore subject to the announcement and reporting requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“CEC” or “Agent”	China Power Complete Equipment Co., Ltd.* (中國電能成套設備有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of SPIC
“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
“Director(s)”	director(s) of the Company
“Employer(s)”	Pu’an Power Plant and Shangqiu Power Plant, collectively the “Employers” and individually the “Employer”
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China. Geographical references in this announcement to the PRC excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project(s)”	Project Pu’an and Project Shangqiu, collectively the “Projects” and individually the “Project”
“Project Pu’an”	the project being carried out by Pu’an Power Plant which involves the construction of two 660MW super-critical coal-fired power generating units in Guizhou Province of the PRC
“Project Shangqiu”	the project being carried out by Shangqiu Power Plant which involves the construction of two 350MW super-critical coal-fired power co-generating units in Henan Province of the PRC
“Project Tender and Facilities Services Agreement(s)”	the two project tender and facilities services agreements in relation to Project Pu’an and Project Shangqiu dated 15 August 2017 entered into between each of Pu’an Power Plant

and Shangqiu Power Plant of their respective Project and the Agent, collectively the “Project Tender and Facilities Services Agreements” and individually the “Project Tender and Facilities Services Agreement”

“Pu’an Power Plant”	China Power (Pu’an) Power Generating Company Limited* (中電(普安)發電有限責任公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shangqiu Power Plant”	China Power (Shang Qiu) Cogeneration Company, Limited* (中電(商丘)熱電有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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), 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 State Nuclear Power Technology Corporation* (國家核電技術公司) in 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Project Tender and Facilities Services Agreements

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.85 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
Yu Bing
Chairman

Hong Kong, 15 August 2017

As at the date of this announcement, the directors of the Company are: executive directors Yu Bing and Tian Jun, non-executive directors Guan Qihong and Wang Xianchun, and independent non-executive directors Kwong Che Keung, Gordon, Li Fang and Yau Ka Chi.