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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)

PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEME

The Board is pleased to announce that it has resolved to propose the adoption of new share incentive scheme in accordance with Chapter 17 of the Listing Rules. As of the date of this announcement, the Company has not granted any Share Options under the Scheme.

PURPOSES OF THE SCHEME

The Scheme aims at (i) further improving the governance structure of the Company, and establishing and improving the balance of interests mechanism between employees and Shareholders, investors and the Company; (ii) establishing a benefit sharing and risk sharing mechanism among Shareholders, the Company and employees to enhance the Company's performance and long-term stable development; and (iii) effectively attracting, motivating and retaining the core backbone employees of the Company to support the Company's strategic transformation and long-term development.

PRINCIPAL TERMS OF THE SCHEME

A summary or explanation of principal terms of the Scheme is set out below. Its further details will be set out in a circular to be despatched to the Shareholders in due course.

Effective period of the Scheme: The Scheme shall be valid from the Grant Date until the date when all Share Options have been exercised and the maximum effective period of the Scheme will not exceed 72 months.

Scheme Participant(s): The directors, the senior management and backbone management, technical and business personnel (who have a direct impact on the Company's operating performance and sustainable development) of the Company (including its holding subsidiaries), but exclude independent non-executive Directors, external directors and the Shareholders or de-facto controllers of the Company who, individually or collectively, hold over 5% of the Shares, their spouses, parents, children and "associates" as defined under the Listing Rules.

Total number of the Shares involved: It is proposed that Share Options representing a maximum of 111,711,100 Shares could be granted to the Scheme Participant(s) under the Scheme, accounting for approximately 1.03% of the total issued Shares of the Company as at the date of this announcement.

Maximum Share Options granted to Scheme Participant(s): Unless approved at a general meeting, the number of Shares issued and to be issued upon the exercise of the Share Options granted to any individual Scheme Participant (including exercised and outstanding Share Options) during the effective period of the Scheme shall not exceed 1% of the total share capital of the Company.

Exercise price: The exercise price of the Share Options shall be determined in accordance with the fair market price principle, with the base date for pricing being the Grant Date. The exercise price shall not be lower than the higher of the following prices:

- (1) the closing price of the Shares on the Grant Date; and;
- (2) the average closing price of the Shares on the five trading days prior to the Grant Date.

No fee shall be payable by a Scheme Participant on the application for, or acceptance, of the grant of Share Options.

Grant Date: Each Grant Date shall be a trading day, and shall be determined by the Board after the Scheme is considered and approved at a general meeting of the Company.

The Board shall not grant Share Options after becoming aware of inside information until the announcement of the relevant information.

No Share Options shall be granted by the Board to the Scheme Participant(s) within one month before the earlier of the following dates:

- (1) the date of the Board meeting for the approval of any annual, half-yearly, quarterly and any other interim results of the Company (whether or not required by the Listing Rules) (being such date of the Board meeting as first notified by the Company to the Stock Exchange in accordance with the Listing Rules);
- (2) the deadline for the Company to announce its annual, half-yearly results in accordance with the Listing Rules or to announce its quarterly or any other interim results (whether or not required by the Listing Rules),

until the end of the day of the relevant results announcement.

Restriction period: No Share Options shall be exercised within 24 months from the Grant Date.

Exercise period: The Scheme Participant(s) may exercise their Share Options in tranches during the exercise period after the expiration of the restriction period, subject to the achievement of specific performance appraisal targets for that year as a condition for vesting, specifically as follows:

	Timing of exercise period	Percentage of Share Options exercisable
First exercise period	From the first trading day after 24 months from the Grant Date to the last trading day within 36 months from the Grant Date	33%
Second exercise period	From the first trading day after 36 months from the Grant Date to the last trading day within 48 months from the Grant Date	33%
Third exercise period	From the first trading day after 48 months from the Grant Date to the last trading day within 60 months from the Grant Date	34%

Management body of the Scheme: The Board is the executive management body of the Scheme and is responsible for the implementation of the Scheme. The Board may handle other related matters of the Scheme within the scope authorised by the Shareholders at the general meeting of the Company.

Conditions for the Scheme to take effect: The effectiveness of the Scheme is subject to, among other things, the approval of the Shareholders by way of the ordinary resolution at the general meeting of the Company. The Company is also required to obtain the approval from the Listing Committee of the Stock Exchange on the listing of, and permission to deal in, the Shares which may fall to be allotted and issued by the Company pursuant to the exercise of the Share Options in accordance with the terms and conditions of the Scheme.

SHAREHOLDERS' APPROVAL

As the Board will propose the Scheme for consideration and, if thought fit, approval by the Shareholders at a general meeting of the Company, further details and related matters of the Scheme will be included in the circular that will be despatched to the Shareholders for the purpose of convening the general meeting in accordance with the requirements of the Listing Rules in due course.

The Scheme remains subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution in dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Grant Date”	a date on which the Share Options are granted to the Scheme Participant(s) by the Board pursuant to the Scheme
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Scheme”	the share incentive scheme of the Company proposed to be approved by the Shareholders at the general meeting
“Scheme Participant(s)”	the participant(s) to the Scheme
“Share Options”	rights to acquire Shares under the terms of the Scheme
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	person(s) whose names appear on the register of members as a registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
China Power International Development Limited
HE Xi
Chairman

Hong Kong, 10 May 2022

As at the date of this announcement, the directors of the Company are: executive directors HE Xi and GAO Ping, non-executive directors ZHOU Jie and XU Zuyong, and independent non-executive directors LI Fang, YAU Ka Chi and HUI Hon Chung, Stanley.