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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)

Inside Information

Perpetual Debt Investment Contracts

The Group has received and is anticipated to further receive funding from SPIC, the ultimate controlling shareholder of the Company, for up to an aggregate amount of approximately RMB11.268 billion (equivalent to approximately HK\$12.520 billion) in the form of perpetual debt instruments.

Shareholders and potential investors are reminded to pay attention to the investment risks and exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

In August 2022, the Central Government adopted a series of follow-up policies for stabilizing the economy as part of its intensified efforts to strengthen the foundation for economic recovery and growth according to the decision made at the State Council executive meeting. Among which, it encouraged power generation enterprises to issue energy supply assurance special bonds to enhance the financial strength of these enterprises, promote their reform and transformation, improve their ability to ensure stable energy supply, and thus promote the overall economic recovery and development.

The Group through SPIC, the ultimate controlling shareholder of the Company, has been allocated up to an aggregate amount of approximately RMB11.268 billion of funding (equivalent to approximately HK\$12.520 billion) in the form of perpetual debt instruments.

Among the RMB11.268 billion, the Company, on behalf of its subsidiaries and an associate, could choose to register and issue perpetual bonds for not exceeding RMB2.858 billion (equivalent to approximately HK\$3.176 billion) in the domestic inter-bank market according to the Group's capital needs and market conditions, and at a coupon rate which shall not be higher than the coupon rate of similar type of bonds issued by enterprises in the same industry in the domestic bond market during the same period.

As at the date of this announcement, certain subsidiaries and an associate of the Group have received a total of approximately RMB5.531 billion (equivalent to approximately HK\$6.146 billion) by entering into the Perpetual Debt Investment Contracts individually with Bridge Trust, an indirect subsidiary of SPIC. The Group is expected to further receive a sum of not less than approximately RMB2.879 billion in phases (or will receive a sum of approximately RMB5.737 billion should the Company chooses not to issue any perpetual bonds on its own), specifics of which shall be subject to any subsequent changes of the relevant policies.

PERPETUAL DEBT INVESTMENT CONTRACTS

The principal terms of the Perpetual Debt Investment Contracts are as follows:

Financing form:	Perpetual trust
Investee:	Subsidiaries or an associate of the Company
Trustee:	Bridge Trust (an indirect subsidiary of SPIC)
Aggregate Amount:	RMB5.531 billion
Use of funds:	Replenishment of working capital and/or repayment of borrowings
Maturity period:	No fixed maturity period with an initial base term of 3 years or 5 years (the “ initial base term ”). At the end of the initial base term and each extended term, the Investee shall have an option to extend the maturity for an additional term on any subsequent distribution settlement days, or to redeem in full. There shall be no limitation on the number of times for exercise of the option to extend the maturity.
Distribution rates:	(i) Ranging from 2.97% to 3.18% per annum fixed for the initial base term (the “ initial annual investment return rate ”) (ii) The initial annual investment return rate plus 300 basis points after the initial base term, and will remain unchanged during the subsequent subsistence period (unless otherwise agreed in writing)

Distribution:	Payable annually from the date of receiving each trust funds from the Trustee, subject to the terms and conditions of the Investment Contracts
Option for deferring distribution:	On each distribution payment date, the Investee shall have an option to defer the payment for the current period and all interests on the deferred distribution payment(s) that have been accumulated thereon (if any) to the next distribution payment date without any limitation as to the number of times for exercise of the option to defer distribution payment, except for the occurrence of any trigger events for compulsory distribution payment. The above-mentioned deferring of distribution payment does not constitute the Investee's default on the agreed payment of distribution in full as it falls due.
Trigger events for compulsory distribution:	If, during the 12-month period immediately preceding a distribution payment date, the Investee (1) has distributed dividends to the Investee's shareholders; or (2) has reduced its registered share capital, the Investee shall not be entitled to exercise the option to defer distribution payment.
Ranking of repayment:	In the event of winding up, the order of repayment to the Trustee is subordinated to the ordinary debts of the Company.

BENEFITS AND FINANCIAL IMPACT TO THE GROUP

The perpetual trust funds under the Perpetual Debt Investment Contracts enables the Group to expand its financing channels, enhance sufficiency of its cash flow, and optimize its asset-liability structure and thus its financial position. The Group will account for the Perpetual Debt Investment Contracts as equity instruments.

The Directors (including the independent non-executive Directors) are of the view that, as far as the shareholders of the Company are concerned, the Investment Contracts have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms or better, 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 Investment Contracts or is required to abstain from voting on the relevant Board resolutions.

COMPLIANCE WITH THE LISTING RULES

As at the date of this announcement, SPIC owns approximately 60.61% 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.

Bridge Trust is an indirect subsidiary of SPIC and is ultimately controlled by SPIC. Accordingly, Bridge Trust is a connected person of the Company and the Perpetual Debt Investment Contracts constitute connected transactions of the Company and financial assistance to the Group under Chapter 14A of the Listing Rules.

As the Investment Contracts (i) have been conducted on normal commercial terms or better; and (ii) are not secured by any assets of the Group, the transactions contemplated thereunder are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Rule 14A.90 of the Listing Rules.

REMINDER

The Group may or may not receive further financing from SPIC up to the maximum sum of RMB5.737 billion (equivalent to approximately HK\$6.374 billion) in phases in any form, specifics of which shall be subject to any subsequent changes of the relevant policies. The Company will make further announcement on the subject if and when appropriate. **Shareholders and potential investors are reminded to pay attention to the investment risks and exercise caution when dealing in the shares 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
“Bridge Trust” or “Trustee”	Bridge Trust Co., Ltd., a company incorporated in the PRC with limited liability and an indirect subsidiary of SPIC, and is the trustee under the Investment Contracts acting on behalf of its principal, a limited partnership ultimately controlled by 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
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Investee”	certain subsidiaries and an associate of the Company that are principally engaged in power generation business, each of which individually entered into separate Perpetual Debt Investment Contract(s) with Bridge Trust

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Perpetual Debt Investment Contracts” or “Investment Contracts”	the contracts entered into separately between each of certain subsidiaries and an associate of the Company with Bridge Trust in relation to the special financing arrangement to enhance the financial strength of power generation enterprises for ensuring stable energy supply
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SPIC”	State Power Investment Corporation Limited* (國家電力投資集團有限公司), the ultimate controlling shareholder of the Company, a wholly State-owned enterprise established by the approval of the State Council of the PRC* (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.90 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
HE Xi
Chairman

Hong Kong, 15 November 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.