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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**

#### **Establishment of Asset-backed Securities Program**

This announcement is made by China Power International Development Limited (the “**Company**”), and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **The Asset-backed Securities Program**

On 26 November 2021, the Company completed establishment of the “China Power Energy Infrastructure Investment and Anhui’s Asset-backed Special Program (similar to REITS)”\* (中國電力能源基礎設施投資和皖資產支持專項計劃(類 REITS), the “**Special Program**”) with CSC Financial Co., Ltd. (中信建投証券股份有限公司, “**CSCFC**”) acted as the manager of the Special Program. The relevant record of the Special Program will be filed with the Asset Management Association of China and its details will be published on the website of the Shanghai Stock Exchange at <http://bond.sse.com.cn>.

Under the Special Program, the Company transferred its 100% equity interest in Wuhu Electric Power Generating Company Limited\* (蕪湖發電有限責任公司, the “**Project Company**”), a wholly-owned subsidiary of the Company to a limited partnership (the special purpose vehicle set up for issuance of the asset-backed securities, the “**SPV**”). CSCFC, acting on behalf of the Special Program and its asset-backed securities holders, holds 80% interest of the SPV (the “**Asset-backed Securities**”) while 20% interest of the SPV is held by the Company. CSCFC shall issue the Asset-backed Securities in the form of similar REITS products to the qualified investors for a total amount of RMB2.576 billion (equivalent to approximately HK\$3.141 billion). Holders of the Asset-backed Securities will enjoy the economic benefits generated from the operating cash flow of the Project Company pursuant to the terms and conditions of their respective subscription agreements entered with CSCFC and subject to the documentation of the Special Program.

The Asset-backed Securities are classified into three tranches as summarized below:

Tranches	Senior Type A	Senior Type B	Subordinated
Principal amount	RMB2,150 million	RMB425 million	RMB1 million
Coupon rate <i>(Note)</i>	3.9%	4.3%	No fixed coupon rate
Credit Rating	AAA	AAA	NIL
Target subscribers	Qualified professional or institutional investors (independent third parties of the Group)		The Company or its subsidiaries
Unit face value	RMB100		
Period of financing	18 years  In accordance with the documentation of the Special Program, (i) an open exit registration period shall be set for every three years, (ii) the investors in the senior class may request for exit during the open exit registration period, and (iii) the Special Program can be terminated in advance upon occurrence of certain termination events.		
Rating agent	China Chengxin International Credit Rating Co., Ltd.		
Place of listing and trading	The senior securities can be traded via the integrated electronic platform of fixed income securities of the Shanghai Stock Exchange.		

*Note: The coupon rate will be adjusted at the end of every three years based on the then prevailing market conditions.*

### **Use of Proceeds and Financial Impact of the Special Program**

The proceeds from the issuance of Asset-backed Securities is intended to be used for the purposes including but not limited to replenishment of working capital, repayment of debts and business development of the Group.

As the Company remains in control of the Project Company, its financial results and financial position will continue to be consolidated into the financial statements of the Group. The implementation of the Special Program will not have any adverse financial impact on the Company or the interests of its shareholders.

## **Reasons for and Benefits of the Special Program**

The success in securitizing the traditional coal-fired power generating assets by issuance of similar REITS products through the Special Program assisted to develop new business channel of asset securitization, improve cash flow, asset quality and debt structure of the Group.

The directors of the Company (including the independent non-executive directors) are of the view that, as far as the shareholders of the Company are concerned, the terms of the Special Program have been conducted on normal commercial terms or better after arm's length negotiation between the parties, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **Information of the Group, the Project Company and CSCFC**

The Company was incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Company is ultimately controlled by State Power Investment Corporation Limited\* (國家電力投資集團有限公司, "SPIC"), 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). As at the date of this announcement, SPIC owns approximately 60.04% of the issued share capital of the Company.

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

The Project Company, a wholly foreign-owned enterprise incorporated in the PRC with limited liability, is a wholly-owned subsidiary of the Company. It is principally engaged in generation and sales of coal-fired power. It currently holds two 660MW ultra super-critical coal-fired power generating units located in Wuhu City of Anhui Province of the PRC.

CSCFC, a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code 6066) and the Shanghai Stock Exchange (stock code 601066). It is ultimately controlled by Beijing Financial Holdings Group Limited (北京金融控股集團有限公司). Its principal business includes securities brokerage, securities investment consulting, financial advisory relating to securities trading and securities investment activities, securities underwriting and sponsoring, proprietary securities trading, securities asset management, agency sale of securities investment funds, margin financing and securities lending, agency sale of financial products, etc.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, CSCFC and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

*The credit ratings in relation to the Senior Type A and the Senior Type B mentioned herein are strictly for information purposes only. Such ratings do not constitute a recommendation to buy, sell or hold any securities of the Company.*

*Shareholders and potential investors of the Company are advised not to rely solely on the information contained herein and should exercise caution when dealing in the securities of the Company. When in doubt, the shareholders and potential investors of the Company are advised to seek professional advice from their own professional or financial advisers.*

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

This announcement contains translation between Renminbi and Hong Kong dollars at RMB0.82 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, 26 November 2021

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