

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Power International Development Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)**

**CONTINUING CONNECTED TRANSACTIONS  
AND DISCLOSEABLE TRANSACTION IN RELATION TO  
THE RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT**

**Independent Financial Adviser  
to the Independent Board Committee and the Independent Shareholders**



**Gram Capital Limited**

**嘉林資本有限公司**

A letter from the Board is set out on pages 4 to 16 of this circular. A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 17 to 18 of this circular. A letter from Gram Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 29 of this circular.

A notice dated 18 May 2022 convening the GM to be held at the principal meeting place together with an online live webcast simultaneously on Thursday, 2 June 2022 at 11:00 am. is set out on pages 34 to 37 of this circular. **Shareholders will NOT be able to attend in person, but may view and listen to the GM by online live webcast. Shareholders who wish to vote at the GM should complete and return the form of proxy, appointing the chairman of the GM as their proxies,** (i) to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, **or (ii) electronically via the Company's email address at [eproxy@chinapower.hk](mailto:eproxy@chinapower.hk) not less than 48 hours before the time appointed for holding of the GM or any adjournment thereof (as the case may be). No gifts, souvenirs or bakery vouchers will be distributed at the GM.**

18 May 2022

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*Shareholders are reminded to read carefully the notice of the GM and its accompanying notes for the special arrangements for the GM set out at the end of this circular.*

## DEFINITIONS

*In this circular (other than the Notice of General Meeting), the following expressions have the following meanings:*

“Annual Cap”	the maximum daily balance of deposits (including accrued interest) placed by the Group with SPIC Financial during the term of the Framework Agreement
“associates”	has the meaning given to it by the Listing Rules
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission* (中國銀行保險監督管理委員會)
“CNAFC”	China National Association of Finance Companies* (中國財務公司協會)
“Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“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
“CPDL”	China Power Development Limited, a company incorporated in the British Virgin Islands with limited liability, the substantial shareholder of the Company and a subsidiary of CPI Holding, thus an associate of SPIC
“CPI Holding”	China Power International Holding Limited, a company incorporated in Hong Kong with limited liability, the controlling company of the Company and a wholly-owned subsidiary of SPIC, thus an associate of SPIC
“Deposit Services”	the deposit services transactions contemplated under the Framework Agreement
“Director(s)”	director(s) of the Company
“Framework Agreement” or “Financial Services Framework Agreement”	the framework agreement dated 6 May 2022 entered into between the Company and SPIC Financial for provision of financial services by SPIC Financial to the Group
“GM” or “Meeting”	the general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Framework Agreement and the transactions contemplated therein

## DEFINITIONS

“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
“Independent Board Committee”	the committee of all the independent non-executive Directors, consisting of Mr. LI Fang, Mr. YAU Ka Chi and Mr. HUI Hon Chung, Stanley, which has been formed to advise the Independent Shareholders in respect of the Deposit Services and the Annual Cap
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services and the Annual Cap
“Independent Shareholders”	the shareholders of the Company other than SPIC and its associates
“Latest Practicable Date”	16 May 2022, being the latest practicable date prior to publication of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PBOC”	The People’s Bank of China* (中國人民銀行)
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Framework Agreement”	the financial services framework agreement dated 30 April 2019 entered into between the Company and SPIC Financial in relation to the provision of financial services by SPIC Financial to the Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) of the Company

## DEFINITIONS

“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)
“SPIC Financial”	SPIC Financial Company Limited* (國家電投集團財務有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of SPIC and a non-bank financial institution approved by the CBIRC
“SPIC Finance HK”	SPIC International Finance (Hong Kong) Company Limited (國家電投香港財資管理有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of SPIC, thus an associate of SPIC
“SPIC Group”	SPIC and its subsidiaries from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it by the Listing Rules

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

*This circular 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.*

LETTER FROM THE BOARD



**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)**

*Chairman of the Board and Executive Director:*

HE Xi

*Executive Director and President:*

GAO Ping

*Non-executive Directors:*

ZHOU Jie

XU Zuyong

*Independent Non-executive Directors:*

LI Fang

YAU Ka Chi

HUI Hon Chung, Stanley

*Registered Office:*

Suite 6301, 63/F

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

18 May 2022

*To the shareholders of the Company*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
AND DISCLOSEABLE TRANSACTION IN RELATION TO  
THE RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 6 May 2022 in relation to the renewal of Financial Services Framework Agreement and the transactions contemplated thereunder. Reference is also made to the announcement of the Company dated 30 April 2019 in relation to the Previous Framework Agreement signed with SPIC Financial on 30 April 2019 (which became effective on 7 June 2019), which will expire on 6 June 2022. On 6 May 2022, the Company entered into the Financial Services Framework Agreement with SPIC Financial for another term of three years, pursuant to which SPIC Financial has agreed to continue to provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis upon expiry of the Previous Framework Agreement.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (a) details of the Framework Agreement and the Deposit Services, (b) a letter from the Independent Board Committee and a letter from Gram Capital, both advising on the terms of Framework Agreement in relation to the Deposit Services and the Annual Cap, and (c) a notice convening the GM to consider and, if thought fit, approve, among other things, the Framework Agreement (including the Annual Cap) and the Deposit Services.

### 2. THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

#### **Date**

6 May 2022

#### **Parties**

- (i) the Company; and
- (ii) SPIC Financial.

#### **Condition Precedent**

The Framework Agreement is conditional upon the Company having obtained the approval of the Independent Shareholders at the GM approving, among other things, the continuing connected transactions under the Framework Agreement in relation to the Deposit Services and the Annual Cap.

#### **Effective period**

For a term of three years from 7 June 2022 and ended 6 June 2025 (both days inclusive).

#### **Principal terms**

##### *(1) Services to be provided*

SPIC Financial has agreed to provide the Group with deposit services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis.

##### *(2) Pricing principles*

When determining the price for any financial services to be provided pursuant to the Framework Agreement, each of the Group and SPIC Financial shall refer to at least two comparable transactions with independent third parties or two quotes obtained from independent third parties during the same period.

## LETTER FROM THE BOARD

Subject to compliance with the relevant laws, regulations and regulatory requirements, SPIC Financial has agreed to adhere to the following principles in providing the above financial services to the Group:

- (a) **Deposit services:** The interest rate applicable to the Group for its deposits with SPIC Financial during the same period shall not be lower than (i) the benchmark interest rate specified by the PBOC of the same type of deposits; (ii) the interest rate of the same type of deposits obtained from other major commercial banks in the PRC to the Group; and (iii) the interest rate of same type of deposits placed by other members of SPIC Group with SPIC Financial.

In addition, subject to the above, the applicable interest rate for the amount of the Group's deposits in current account(s) that exceeds RMB100,000, will be 23 basis points higher than, and adjusted according to, the benchmark interest rate for agreements deposits (協定存款基準利率) as published by the PBOC from time to time.

- (b) **Loan services:** The interest rate for loans to the Group granted by SPIC Financial during the same period shall not be higher than (i) the benchmark interest rate specified by the PBOC for the same type of loans; (ii) the interest rate obtained from other major commercial banks in the PRC to the Group; and (iii) the interest rate of the same type of loans under the same conditions offered by SPIC Financial to other members of the SPIC Group.

In addition, subject to the above, the interest rate for loans granted to the Group shall be 10 basis points lower than the loan prime rate (LPR) of the same type of loans as specified by the PBOC during the same period and to be governed by individual loan agreement(s).

Subject to compliance with the relevant laws, regulations and regulatory requirements, SPIC Financial will provide the loan services on normal commercial terms or better and such loans will not be secured by the assets of the Group.

- (c) **Settlement services:** The settlement services to the Group to facilitate clearing among members of the Group shall be free of charge.
- (d) **Other financial services:** The services fees for other financial services during the same period shall be in accordance with the standard of fees for the same type of services set by the PBOC or the CBIRC (if applicable), and shall not be higher than (i) the fees charged by other major commercial banks in the PRC for the same type of services/business activities; and (ii) the fees charged to other members of the SPIC Group under the same conditions for providing the same type of services/business activities by SPIC Financial.



## LETTER FROM THE BOARD

### (3) *Capital Risk Control Measures*

- (a) SPIC Financial, as a non-bank financial institution approved by the CBIRC, complies strictly with the regulatory requirements of the CBIRC to conduct its operation and business, establish effective and complete internal control and risk management systems in order to effectively manage risks and ensure the safety of all capital.
- (b) When providing financial services to the Group on a non-exclusive basis, SPIC Financial will ensure the Group's rights to own, use and the benefit derived from its funds will not be affected. SPIC Financial is obliged to ensure the safety of the Group's funds deposited with it and the Group's independent use of such funds.
- (c) If any member of the Group cannot recover the deposits placed with SPIC Financial as a result of SPIC Financial misappropriated the deposits of the Group or used such deposits in breach of the Framework Agreement, the Group has the right to set off the deposit amounts due to the Group from SPIC Financial against any amounts of loan outstanding owing by the Group to SPIC Financial. SPIC Financial does not have such set-off right.
- (d) SPIC has given an undertaking to the Company that: (i) if SPIC Financial encounters emergency financial difficulties in making payments to the Group, SPIC will increase the capital of SPIC Financial accordingly to meet its actual needs to overcome such financial difficulties; and (ii) SPIC will provide financial support to SPIC Financial in accordance with its needs to ensure that the Group will be able to withdraw all the deposits placed with SPIC Financial at any time.
- (e) The monthly financial statements of SPIC Financial will be provided to the senior management of the Group on the fifth working day of the following month to enable the Group to have timely information on the financial conditions of SPIC Financial.
- (f) The Group, based on its own business needs, has the right, but not the obligation, to choose to hold no less than 10% of the equity interest in SPIC Financial, hold the relevant voting rights and appoint director(s) of SPIC Financial, and such right is being granted at no premium or additional cost. If the Group chooses to exercise such right, the terms of acquisition (including determination of the price for such equity interest in SPIC Financial) will be subject to negotiations with relevant parties on an arm's length basis and approvals required under relevant laws and regulations (including the Listing Rules).
- (g) The Group has the unilateral right to terminate any services provided by SPIC Financial under the Framework Agreement if the fees charged by any other commercial banks in the PRC for such services are more favourable to the Group.

## LETTER FROM THE BOARD

- (h) The Group is entitled to appoint any other financial institutions for the provision of the financial services in accordance with its own business needs and requirements. SPIC Financial will be given preferential consideration under same terms and conditions compared with other financial institutions.

### (4) *Payment*

The consideration for the transactions contemplated under the Framework Agreement will be paid in accordance with the specific terms as agreed under separate agreements from time to time.

### 3. HISTORICAL TRANSACTION AMOUNTS

#### Deposit Services

The table below sets out the historical highest daily deposit balance (including accrued interests) of the Group placed with SPIC Financial under the Previous Framework Agreement in respect of the Deposit Services.

<b>Actual highest daily deposit balance (including accrued interests)</b> <i>(RMB billion)</i>			
<b>The period from 7 June 2019 to 31 December 2019</b>	<b>Year ended 31 December</b>		<b>The period from 1 January 2022 to 31 March 2022</b>
	<b>2020</b>	<b>2021</b>	
2.31	4.18	3.27	1.91

The Company expects that the daily deposit balance of the Group during the remaining term of the Previous Framework Agreement will not exceed the maximum daily deposit balance for the period ended 6 June 2022.

#### Loan services

The table below sets out the historical highest amounts of the loans granted by SPIC Financial to the Group in respect of the loan services under the Previous Framework Agreement.

<b>Actual highest outstanding loan balance</b> <i>(RMB billion)</i>			
<b>The period from 7 June 2019 to 31 December 2019</b>	<b>Year ended 31 December</b>		<b>The period from 1 January 2022 to 31 March 2022</b>
	<b>2020</b>	<b>2021</b>	
17.78	20.71	17.30	17.93

## LETTER FROM THE BOARD

### Other financial services

The table below sets out the historical amounts of the other financial services fees paid by the Group to the SPIC Financial under the Previous Framework Agreement.

<b>Actual other financial services fees</b> (RMB'000)			
<b>The period from 7 June 2019 to 31 December 2019</b>	<b>Year ended 31 December</b>		<b>The period from 1 January 2022 to 31 March 2022</b>
	<b>2020</b>	<b>2021</b>	
1,595	5,998	7,216	387

#### 4. PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION

In determining the proposed maximum daily deposit balance (including accrued interests) in the Group's settlement account with SPIC Financial during the term of the Framework Agreement, the Board has considered the following factors:

- (1) The aforementioned historical highest daily balances of deposits of the Group.
- (2) The number of expected power plants/stations or projects that will commence commercial productions and the possible future projects (especially the rapidly increasing numbers of clean and low carbon energy projects in response to the national dual-carbon targets of “30 • 60 Carbon Emission Peak and Carbon Neutrality” and assuming each of projects will be operated by a subsidiary of the Group) in the coming three years.
- (3) The operating cash flow and financial needs of the Group in respect of its future business expansion with reference to the Company's new development strategy on nurturing emerging industries of green energy, including energy storage, hydrogen energy, green power transportation and integrated intelligent energy (please refer to the Company's announcement dated 22 October 2021) and the expected growth of the Group in the coming three years.
- (4) The amount of funds deposited with SPIC Financial which can be utilized to supplement the financial requirements of the subsidiaries of the Group and thus increase the efficiency of fund utilization.

The proposed Annual Cap will not exceed RMB5.5 billion (equivalent to approximately HK\$6.5 billion) for each of (i) the period from 7 June 2022 to 31 December 2022, (ii) the two years ended 31 December 2023 and 2024, and (iii) for the period from 1 January 2025 to 6 June 2025.

<b>Proposed Annual Cap</b> (RMB billion)			
<b>The period from 7 June 2022 to 31 December 2022</b>	<b>Year ended 31 December</b>		<b>The period from 1 January 2025 to 6 June 2025</b>
	<b>2023</b>	<b>2024</b>	
5.5	5.5	5.5	5.5

## LETTER FROM THE BOARD

### 5. INTERNAL CONTROL POLICIES AND PROCEDURES

Notwithstanding that the Company considers that the above capital risk control measures under the Framework Agreement are adequate to manage any risks involved in depositing funds with SPIC Financial, the Group will review contracts and monitor the amount and interest rate of the deposits to ensure the fairness of the terms of the relevant transactions as compared to placing the relevant deposits with independent third parties other than SPIC Financial.

In practice, the Group shall undertake to adhere to the following internal control measures in dealing with the financial services provided by SPIC Financial to the Group:

- (i) The Company assigns designated persons to monitor interest rates for deposits and loans and service fees for other financial services published on the official websites of PBOC and other major commercial banks in the PRC (including but not limited to China Construction Bank Corporation, Bank of China Limited, Bank of Communications Co., Ltd. or China Merchants Bank Co., Ltd.) from time to time.
- (ii) The Company liaises with the major commercial banks in the PRC. The customer service managers of such banks will provide written quotes for deposits, loans and other financial services regularly as needed to the finance department of the Company through email.

If the terms obtained through the two methods above are more favourable to the Group than those provided by SPIC Financial, the Company's finance department will report this fact to the chief accountant of the Company. Such information will be used by the Group for re-negotiating the price with SPIC Financial. The Group also has the unilateral right to terminate any services to be provided by SPIC Financial under the Framework Agreement if the fees charged by any other commercial banks in the PRC for such services are more favourable to the Group.

On SPIC Financial side, the Company understands that the general manager's office in SPIC Financial will be in charge of its pricing policy. SPIC Financial's finance settlement department and its credit department will be in charge of proposals for pricing of the deposit services and the loan services, respectively. The specific interest rate of deposit services will be approved by the general manager(s) of SPIC Financial's funding department, while the specific interest rate of loan services will be approved by the credit review committee of SPIC Financial. The credit review committee of SPIC Financial is independent of its credit department and is in charge of reviewing the terms for loans including but not limited to interest rates.

The Company understands that SPIC Financial adopts an information system similar to those of commercial banks in the PRC. SPIC Financial will provide banking security devices to the Group for log-in and identification purposes on the internet. The Group must deploy such security devices to make account enquiries or carry out payment and settlement activities. The Company believes that it will have the same level of security when depositing funds with other commercial banks.

## LETTER FROM THE BOARD

### **6. REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT**

#### **(1) Increase interest income and save finance cost**

The interest rate applicable to the Group for its deposits with SPIC Financial during the same period shall be no less favourable than the benchmark interest rate specified by the PBOC for the same type of deposits during the same period, and no less than the interest rate of the same type of deposits offered by other major commercial banks in the PRC to the Group during the same period, which is beneficial in improving the Group's interest income.

The interest rate of loans set by SPIC Financial for loans granted to the Group will be no less favourable than the interest rate provided by other major commercial banks in the PRC for the same type of loans during the same period, and no security is to be granted by the Group over its assets in respect of such loans, enabling the lending procedure to be easier and more efficient than that provided by other major commercial banks in the PRC.

The Group may take full advantage of the favourable policy of free settlement services provided by SPIC Financial and reduce the banking commission charges payable by the Group. The fees to be charged by SPIC Financial for other financial services will be equal to or more favourable to the Group than those charged by other major commercial banks in the PRC.

Since the signing of the Previous Framework Agreement, the Company has noticed an enhanced efficiency in utilization of funds and that the Group has, in connection therewith, saved a considerable amount of finance costs. With the expansion of the Group's business, SPIC Financial will continue to provide diversified, efficient, expedient and secure financial services to the Group under the Framework Agreement. It is expected that by conducting the transactions under the Framework Agreement, the Group will continue to further save a considerable amount of finance costs.

#### **(2) Facilitate fund management and control by the Group**

SPIC Financial has a sophisticated information system through which the Group can access the latest information concerning the collection and payment of funds of the Group as well as the status of fund balance at any time (in particular, to enable the Group to monitor the daily balance of deposits with SPIC Financial such that it does not exceed the Annual Cap), thus reducing and avoiding operational risks.

#### **(3) Enhance the efficiency of fund utilization**

The settlement services provided by SPIC Financial will continue to strengthen the Group's centralized fund management of its subsidiaries and reduce the time for capital transmission. The use of SPIC Financial as a clearing platform will facilitate the clearing amongst the members of the Group, reduce the time for transmitting the funds, and thereby expedite turnaround of funds.

## LETTER FROM THE BOARD

### **(4) Cross-border flexibility for utilization of the Group's funds**

SPIC Financial is qualified for centralized cross-border funds operation and cross-border bilateral RMB cash pooling, and therefore SPIC Financial will be able to provide the Group with a channel for cross-border transmission and utilization of funds, to achieve a flexible and highly efficient utilization and transmission of the Group's funds within and outside the PRC. This is among the other financial services to be provided by SPIC Financial, and this service does not involve deposit services and loan services.

### **(5) Improve competitiveness**

The arrangement of entrusted loans for the Company's subsidiaries provided by SPIC Financial represents a substitute for high-interest loans from the licensed banks or financial institutions; and will lessen the liquidity requirements of individual subsidiaries of the Group. The increase in the Group's entrusted loans will in turn help to improve the Group's bargaining power to commercial banks for getting more favourable financing terms.

### **(6) Strengthen the Group's source of funding**

In particular, during the hard time of market volatility and corporate borrowing, it is expected that SPIC Financial will play a vital role in providing the Group with expedient fund support, therefore securing the Group's funding chain.

### **(7) Risk Assurance**

SPIC, as the controlling shareholder of SPIC Financial, has undertaken to the Company that SPIC will provide financial assistance, such as injecting more capital, to SPIC Financial if SPIC Financial is in financial difficulties to ensure the safety and liquidity of the relevant deposits placed by the Group with SPIC Financial.

SPIC Financial is regulated by the CBIRC and provides its services in accordance with the rules and operational requirements of the CBIRC.

### **(8) Possible profit sharing of SPIC Financial**

Subject to approvals required by the relevant laws and regulations applicable to both relevant parties, if the Group exercises the right to acquire no less than 10% equity interest in SPIC Financial together with the relevant voting rights, the Group is expected to enjoy the profit sharing of SPIC Financial.

The transactions contemplated under the Framework Agreement are expected to bring the above benefits to the Group without compromising its independence.

## LETTER FROM THE BOARD

The Directors (excluding independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Adviser) consider that (i) the Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and on normal commercial terms or better, and (ii) the terms of the transactions contemplated under the Framework Agreement and the proposed Annual Cap are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the aforesaid transactions or is required to abstain from voting on the relevant Board resolutions.

### **7. IMPLICATIONS UNDER THE LISTING RULES**

SPIC is the ultimate controlling shareholder of the Company which is interested in approximately 54.35% of the issued share capital of the Company as at the Latest Practicable Date. SPIC Financial, being a subsidiary ultimately owned and controlled by SPIC, is a connected person of the Company as defined in the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

#### **Deposit Services**

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Cap exceeds 5% but are all less than 25%, the Deposit Services therefore constitute (i) a discloseable transaction of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, and (ii) continuing connected transactions of the Company subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

#### **Loan Services**

The loan services to be provided by SPIC Financial to the Group are on normal commercial terms or better (i.e. terms that are similar to or more favorable than those offered by other major commercial banks in the PRC for the provision of comparable services) and are in the interest of the Group. No security over the assets of the Group is granted to SPIC Financial in respect of the loan services. They will therefore be exempted from all reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

#### **Settlement Services and Other Financial Services**

The Company expects that each of the percentage ratios as defined in Rule 14.07 of the Listing Rules applicable to the total fees payable by the Group to SPIC Financial in respect of the provision of settlement services (which will be free of charge) by SPIC Financial and other financial services approved by the CBIRC under the Framework Agreement will fall within the *de minimis* threshold and will be exempted from all reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.



## LETTER FROM THE BOARD

### 8. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with the Listing Rules, an Independent Board Committee has been formed to advise and provide recommendation to the Independent Shareholders on the terms of the Framework Agreement in relation to the Deposit Services and the Annual Cap and to advise the Independent Shareholders on how to vote. Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### 9. INFORMATION OF SPIC FINANCIAL

SPIC Financial was established in the PRC as a non-banking financial institution on 2 September 1992. It is licensed and regulated by the CBIRC and is engaged in the provision of financial services which principally include deposit taking, provision of loans, issue of corporate debentures, inter-bank lending, as well as other financial services such as finance leasing, bills acceptance and discounting, entrusted loans and entrusted investment, arrangement of buyer's credit for member companies' products, underwriting of corporate debentures of member companies, provision of financial advisory, credit certification and other advisory agency services and guarantee services to members of the SPIC Group. SPIC Financial only provides services to members of the SPIC Group under the *Measures on Administration of the Finance Companies of Enterprise Groups* (《企業集團財務公司管理辦法》) promulgated by the CBIRC. SPIC Financial has a registered capital of RMB7.5 billion and is owned as to 40.86% by SPIC and as to 59.14% by other wholly-owned and controlled members of the SPIC Group, respectively.

The table below compares various financial indicators of SPIC Financial as provided by itself against average levels in the finance company industry in the PRC and the relevant regulatory requirements (if any).

Financial indicators	SPIC Financial's data for the financial year ended 31 December 2021	Average levels in the finance company industry in the PRC (Note)	Regulatory requirements
Capital adequacy ratio	22.27%	18.07%	Not less than 10%
Return on asset	1.95%	0.56%	No regulatory requirements
Return on net asset ratio	8.38%	4.16%	No regulatory requirements
Non-performing loan ratio	0%	0.79%	Not higher than 5%
Owner's equity	RMB14.793 billion	RMB4.407 billion	No regulatory requirements

*Note:* Based on CNAFC's statistics for the year ended 31 December 2021.



## LETTER FROM THE BOARD

### 10. INFORMATION OF THE GROUP

The Company is a core subsidiary of SPIC. SPIC (together with its subsidiaries) is an 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 hydropower, wind power, photovoltaic power and coal-fired power plants; and provision of energy storage, green power transportation, and integrated intelligent energy solution services. Its businesses are located in the major power grid regions of China.

SPIC is principally engaged in investment holding with business covers the power, coal, aluminum, logistics, finance, environmental protection and high-tech industries in the PRC and overseas countries.

### 11. GM AND PROXY ARRANGEMENT

A GM will be convened to seek the Independent Shareholders' approval regarding the Framework Agreement (including the Annual Cap) and the Deposit Services. CPDL, CPI Holding and SPIC Finance HK, being shareholders of the Company and associates of SPIC, holding 2,662,000,000 Shares, 2,833,518,060 Shares and 392,275,453 Shares representing approximately 24.57%, 26.16% and 3.62% of the total number of Shares in issue as at the Latest Practicable Date respectively, will abstain from voting at the GM. Any vote of the Independent Shareholders at the GM will be taken by poll.

The GM will be held on Thursday, 2 June 2022 at 11:00 a.m. at the Company's registered office as the principal meeting place together with an online live webcast simultaneously. **Due to the current COVID-19 pandemic situation, Shareholders are only invited to join the online Meeting.**

The Company will make available a live webcast of the GM for all registered Shareholders. Registered Shareholders may view and listen to the GM through the live webcast. **Registered Shareholders shall receive a separate letter for the meeting ID and the user passcode to access the live webcast of the GM.**

**Non-registered Shareholders who wish to view and listen to the live webcast of the Meeting should contact** their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (collectively the "**Intermediary**") **and instruct the Intermediary** to appoint themselves as proxies or corporate representatives and in doing so, they will be asked to provide their email address. Details regarding the live webcast including the login details will be emailed to them by the Company.

As required under the Articles of Association of the Company regarding quorate meeting, the quorum of the GM will be formed by Directors or other senior staff members who are Shareholders or proxies. The inability of any Shareholder or his/her proxy or (in the case of a Shareholder being a corporation) its duly authorized representative to access, or continue to access the live webcast shall not affect the validity of the Meeting or the resolutions passed, or any business conducted at the Meeting or any action taken pursuant to such business provided that a quorum is present throughout the Meeting.

## LETTER FROM THE BOARD

A form of proxy for use at the GM is enclosed with this circular. **Shareholders will NOT be able to attend the GM in person, but may view and listen to the GM by online live webcast. Shareholders who wish to vote at the GM should complete and return the form of proxy, appointing the chairman of the GM as their proxies to exercise their voting rights**, (i) to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, **or (ii) electronically via the Company's email address at eproxy@chinapower.hk** not less than 48 hours before the time appointed for the holding of the GM or any adjournment thereof (as the case may be). Any person appointed by the Shareholders as proxy other than the chairman of the GM will not be permitted entry to the Meeting and therefore will not be able to exercise their vote.

*Shareholders are reminded to read carefully the notice of the GM and its accompanying notes for the special arrangements for the GM set out at the end of this circular.*

### 12. RECOMMENDATION

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Framework Agreement, including the Deposit Services and the Annual Cap are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution with respect to the Framework Agreement (including the Annual Cap) and the Deposit Services to be proposed at the GM.

### 13. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 17 to 18 of this circular and the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 19 to 29 of this circular, and the information set out in the appendix of this circular.

Yours faithfully,  
On behalf of the Board  
**China Power International Development Limited**  
**HE Xi**  
*Chairman*



**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)**

18 May 2022

*To the Independent Shareholders*

Dear Sir and Madam,

**CONTINUING CONNECTED TRANSACTIONS  
AND DISCLOSEABLE TRANSACTION IN RELATION TO  
THE RENEWAL OF FINANCIAL SERVICES FRAMEWORK AGREEMENT**

We refer to the circular dated 18 May 2022 (the “**Circular**”) issued by the Company to its shareholders of which this letter forms part. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the Deposit Services (including the Annual Cap) under the Financial Services Framework Agreement are conducted by the Company in its ordinary and usual course of business, on normal commercial terms or better, in the interests of the Company and its shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. For such purpose, Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 16 of the Circular which contains, among others, information in connection with the terms and reasons for the Framework Agreement, as well as the letter from Gram Capital set out on pages 19 to 29 of the Circular which contains its advice and recommendation in the same respect.

As your Independent Board Committee, we have discussed with the management of the Company the reasons for entering into the Framework Agreement and the basis upon which its terms (including the Annual Cap) have been determined. We have also considered the key factors taken into account by the Independent Financial Adviser in arriving at its opinion regarding the terms of the Framework Agreement in relation to the Deposit Services and the proposed Annual Cap.

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Having taken into account, among other things, the advice of the Independent Financial Adviser, we consider that the entering into of the Framework Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group. The terms of the Framework Agreement in relation to the Deposit Services and the proposed Annual Cap are fair and reasonable as far as the Independent Shareholders are concerned and are in the interests of the Company and its shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution set out in the notice of the GM at the end of the Circular.

Yours faithfully,  
For and on behalf of the  
*Independent Board Committee*  
**China Power International Development Limited**

**LI Fang**  
**YAU Ka Chi**  
**HUI Hon Chung, Stanley**

## LETTER FROM GRAM CAPITAL

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of Deposit Services for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

18 May 2022

*To: The independent board committee and the independent shareholders of  
China Power International Development Limited*

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 18 May 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 6 May 2022, the Company and SPIC Financial entered into the Financial Services Framework Agreement with another term of three years, pursuant to which SPIC Financial has agreed to continue to provide the Group with Deposit Services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis upon expiry of the Previous Framework Agreement.

With reference to the Board Letter, the Deposit Services constitute continuing connected transactions and discloseable transaction of the Company and are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements of Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee comprising Mr. LI Fang, Mr. YAU Ka Chi and Mr. HUI Hon Chung, Stanley (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deposit Services are on normal commercial terms and are fair and reasonable; (ii) whether the Deposit Services are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Deposit Services and transactions

## LETTER FROM GRAM CAPITAL

contemplated thereunder at the GM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser in respect of (i) the reasonableness of interest rate of a loan (unsecured and unguaranteed) granted by a connected person (the letter was issued by Gram Capital in October 2020); and (ii) discloseable and connected transactions (details of which were set out in the Company's circular dated 13 May 2021).

Notwithstanding the aforesaid past engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements, we are of the view that we are independent to act as the Independent Financial Adviser.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Financial Services Framework Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

## LETTER FROM GRAM CAPITAL

The Circular, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, SPIC Financial or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Deposit Services. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Deposit Services, we have taken into consideration the following principal factors and reasons:

#### **Business overview of the Group**

As referred to in the Board Letter, 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; and provision of energy storage, green power transportation, and integrated intelligent energy solution services. Its businesses are located in the major power grid regions of China.

## LETTER FROM GRAM CAPITAL

Set out below are the audited consolidated financial information of the Group for the two years ended 31 December 2021 as extracted from the Company's annual report for the year ended 31 December 2021 (the "2021 Annual Report"):

	<b>For the year ended 31 December 2021</b>	<b>For the year ended 31 December 2020</b>	<b>Change from 2020 to 2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	%
Revenue	34,734,288	28,427,721	22.18
(Loss)/Profit attributable to equity holders of the Company	(515,693)	1,708,305	N/A
	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>	<b>Change from 2020 to 2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	%
Cash and cash equivalents	1,766,632	1,316,351	34.21
Accounts receivable	9,587,732	8,503,289	12.75

As depicted from the above table, we noted that the Group recorded an increase of approximately 22.18% in revenue for the year ended 31 December 2021 ("FY2021") as compared to that for the year ended 31 December 2020 ("FY2020"). With reference to the 2021 Annual Report, such increase was mainly attributable to the commencement of commercial operation of various projects in wind power and photovoltaic power and the increase in electricity sales of coal-fired power as compared with FY2020, benefitted from the year-on-year growth in power demand. However, the revenue generated from hydropower decreased by approximately RMB624.88 million for FY2021, which was attributable to the decrease in electricity sales of hydropower during the year. The Group recorded loss attributable to equity holders of the Company for FY2021 (FY2020: profit attributable to equity holders of the Company), which was mainly due to the surge in coal prices in the second half of 2021, leading to a significant increase in the fuel cost of coal-fired power generation, while the on-grid tariffs had not been adjusted upward at the same time. The result of the coal-fired power generation segment turned from profit to loss for 2021, dragging down the overall performance of the Company. However, the Group's clean energy segments (especially the wind power and photovoltaic power generation segments) continued to achieve profitable growth for 2021, offsetting some of the losses in the coal-fired power generation.

The Group recorded accounts receivable and cash and cash equivalents of approximately RMB9.59 billion and RMB1.77 billion respectively as at 31 December 2021, representing increases of approximately 12.75% and 34.21% respectively as compared to those as at 31 December 2020.



**Information on SPIC Financial**

SPIC Financial was established in the PRC as a non-banking financial institution on 2 September 1992. It is licensed and regulated by the CBIRC and is engaged in the provision of financial services which principally include deposit taking, provision of loans, issue of corporate debentures, inter-bank lending, as well as other financial services such as finance leasing, bills acceptance and discounting, entrusted loans and entrusted investment, arrangement of buyer's credit for member companies' products, underwriting of corporate debentures of member companies, provision of financial advisory, credit certification and other advisory agency services and guarantee services to members of the SPIC Group. SPIC Financial only provides services to members of the SPIC Group under the 《企業集團財務公司管理辦法》(Measures on Administration of the Finance Companies of Enterprise Groups\*, the “**Administrative Measures**”) promulgated by China Banking Regulatory Commission (now known as CBIRC).

SPIC Financial has a registered capital of RMB7.5 billion and is owned as to 40.86% by SPIC and as to 59.14% by other wholly-owned and controlled members of the SPIC Group, respectively.

We noted that the Administrative Measures set out certain compliance and risk control requirements/measures in relation to the operation of group financing companies, including but not limited to maintaining certain financial ratios at all times.

As mentioned above, SPIC Financial is a non-banking financial institution regulated by the PBOC and CBIRC, and provides financial services in compliance with the rules and other operational requirements of these regulatory authorities. Pursuant to the Administrative Measures, in the event that a group finance company faces any difficulty in making payment, its controlling shareholder(s) will increase such group finance company's capital accordingly based on the actual need (the “**Requirement**”). We noted from an undertaking letter issued by SPIC that SPIC undertook to supplement SPIC Financial's capital when necessary pursuant to the aforesaid Requirement and SPIC Financial's articles of association.

In the event that the Group placed a substantial amount of deposits in the SPIC Financial for a long period, the Group may face a higher concentration risk (the “**Concentration Risk**”) in relation to maintaining a high level of cash deposits with one single finance company/institution. However, having considered the factors including,

- (i) SPIC undertook to supplement SPIC Financial's capital when necessary pursuant to the aforesaid Requirement and SPIC Financial's articles of association;
- (ii) as confirmed by the Directors,
  - the Company will not deposit all of its cash and cash equivalents to the SPIC Financial;

## LETTER FROM GRAM CAPITAL

- the Company's finance department will closely monitor the Deposit Services and the enforcement news published from time to time, and review regulatory report, monthly financial statement and monthly balance statement provided by the SPIC Financial immediately after receiving the same;
- the Group will withdraw all of its deposits placed to the SPIC Financial if the SPIC Financial fails to comply with any PRC regulatory requirement which may have material adverse impact on the SPIC Financial's financial and/or operational positions; and
- the annual cap is a maximum daily balance, mainly taking into account a high cash inflow within a short period of time,

we consider that the Concentration Risk would be mitigated.

### **Reasons for and benefits of the Deposit Services**

With reference to the Board Letter, benefits of the entering into of the Financial Services Framework Agreement (including the Deposit Services) included, among other things, (i) enhancing the efficiency of fund utilisation; (ii) increasing interest income and save finance cost; (iii) improving competitiveness; (iv) facilitating fund management and control by the Group; and (v) risk assurance.

Pursuant to the Financial Services Framework Agreement, the interest rate applicable to the Group for its deposits with SPIC Financial during the same period shall not be lower than (i) the benchmark interest rate specified by the PBOC of the same type of deposits; (ii) the interest rate of the same type of deposits obtained from other major commercial banks in the PRC to the Group; and (iii) the interest rate of same type of deposits placed by other members of the SPIC Group with SPIC Financial. In addition, subject to the aforesaid, the applicable interest rate for the amount of the Group's deposit in current account(s) that exceeds RMB100,000, will be 23 basis points higher than, and adjusted according to, the benchmark interest rate for agreements deposits (協定存款基準利率) as published by the PBOC from time to time.

We further noted from the Financial Services Framework Agreement that SPIC Financial has agreed to provide the Group with the Deposit Services, settlement services, loan services and other financial services approved by the CBIRC on a non-exclusive basis subject to the terms and conditions provided therein. As further confirmed by the Directors, the Group will utilize the financial services of SPIC Financial on a voluntary and non-compulsory basis and is not obliged to engage SPIC Financial for any particular service.

In light of the above reasons, in particular, (i) the pricing policy of the Deposit Services; and (ii) that the Group will utilize the financial services of SPIC Financial on a voluntary and non-compulsory basis and is not obliged to engage SPIC Financial for any particular service, we consider the Deposit Services are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

## LETTER FROM GRAM CAPITAL

### Principal terms of the Deposit Services

The following table tabulates a summary of the major terms of the Deposit Services, details of which are set out in the section headed “THE FINANCIAL SERVICES FRAMEWORK AGREEMENT” of the Board Letter:

<b>Date</b>	6 May 2022
<b>Parties</b>	The Company and SPIC Financial
<b>Effective period</b>	For a term of three years from 7 June 2022 and ending on 6 June 2025 (both days inclusive).
<b>Pricing policy</b>	<p>The interest rate applicable to the Group for its deposits with SPIC Financial during the same period shall not be lower than (i) the benchmark interest rate specified by the PBOC of the same type of deposits; (ii) the interest rate of the same type of deposits obtained from other major commercial banks in the PRC to the Group; and (iii) the interest rate of same type of deposits placed by other members of the SPIC Group with SPIC Financial.</p> <p>In addition, subject to the above, the applicable interest rate for the amount of the Group’s deposit in current account(s) that exceeds RMB100,000 will be 23 basis points higher than, and adjusted according to, the benchmark interest rate for agreements deposits (協定存款基準利率) as published by the PBOC from time to time.</p>

Upon our request, we obtained deposit records showing:

- (i) the Company placed deposits in independent commercial banks and SPIC Financial (the “**Group’s Deposit Records**”); and
- (ii) members of SPIC Group placed deposits in SPIC Financial.

We noted from the Group’s Deposit Records that the deposit rates as shown in the Group’s Deposit Records are in line with the deposit rates requirements under the Previous Framework Agreement (“**Our Findings on Deposit Rates**”).

As also advised by the Directors, to secure the interests of Shareholders, the Company adopted certain internal control procedures and corporate governance measures (the “**IC Measures**”) for utilizing the financial services provided by SPIC Financial. Details of the IC Measures are set out under the section headed “INTERNAL CONTROL POLICIES AND

## LETTER FROM GRAM CAPITAL

PROCEDURES” of the Board Letter. As there will be interest rates monitoring and deposit rates collection procedures, we consider that the effective implementation of the IC Measures would help to ensure fair pricing of the Deposit Service according to the pricing policies.

We also discussed with staffs of Company’s finance department and understood that the staffs were aware of the IC Measures and would comply with IC Measures when conducting transactions contemplated under the Financial Services Framework Agreement. Having also considered Our Findings on Deposit Rates, we do not doubt the effectiveness of the implementation of the internal procedures for the Deposit Services.

### **Basis of the proposed Annual Cap**

Pursuant to the Financial Services Framework Agreement, the proposed Annual Cap will not exceed RMB5.5 billion during the three-year term of the Financial Services Framework Agreement.

We noted that the Annual Cap have been determined after taking into account of various factors, details of which are set out under the section headed “PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION” of the Board Letter.

The historical maximum daily deposit balance and the existing annual cap under the Previous Framework Agreement are set out as follows:

<b>Historical transaction amounts</b>	<b>For the period from 7 June 2019 to 31 December 2019</b> <i>(RMB’billion)</i>	<b>For the year ended 31 December 2020</b> <i>(RMB’billion)</i>	<b>For the year ended 31 December 2021</b> <i>(RMB’billion)</i>	<b>For the period from 1 January 2022 to 31 March 2022</b> <i>(RMB’billion)</i>
Maximum daily deposit balance (including accrued interests)	2.31	4.18	3.27	1.91
Existing annual cap	4.20	4.20	4.20	4.20
Utilisation rate	55.0%	99.5%	77.9%	45.5%

*Note:* Existing annual cap under the Previous Framework Agreement was RMB4.2 billion.

According to the above table, the maximum utilisation rate of the existing annual cap was approximately 99.5% for the year ended 31 December 2020.

We noted from the 2021 Annual Report that as at 31 December 2021, (i) the Group’s cash and cash equivalents was approximately RMB1.77 billion; and (ii) accounts receivable was approximately RMB9.59 billion. In addition, upon our further enquiry, the Directors advised us that total amount of Group’s cash and cash equivalents and accounts receivable (which will convert into cash if such accounts receivable are settled) amounted to approximately RMB3.14 billion and RMB10.52 billion respectively as at 31 March 2022, being the latest available

## LETTER FROM GRAM CAPITAL

information immediately prior to the date of Financial Services Framework Agreement. The sum of the aforesaid two items as at 31 March 2022 was RMB13.66 billion, which is larger than the Annual Cap, indicates the Group's possible demand of deposit services to be provided by commercial banks and SPIC Financial.

As advised by the Directors, the proposed Annual Cap was calculated by (i) RMB4.2 billion, which was made reference to the maximum daily deposit balance (including accrued interests) during the term of Previous Framework Agreement; and (ii) RMB1.3 billion, which was made reference to the possible increase in the Group's cash level.

The Annual Cap of RMB5.5 billion represent an increase of 31% or RMB1.3 billion (the "Increase") as compared to the existing annual cap of RMB4.2 billion. To further assess the fairness and reasonableness of the Increase, we summarised the relevant financial information (i) for the year ended 31 December 2021, being the latest available public full-year financial information immediately prior to the date of Financial Services Framework Agreement; (ii) for the year ended 31 December 2018, being the latest available public full-year financial information immediately prior to the date of Previous Framework Agreement. We also listed out the Group's (a) cash and cash equivalents; and (b) accounts receivable as at 31 March 2022 and 31 March 2019 respectively, being the latest available financial information immediately prior to the date of Financial Services Framework Agreement and the date of Previous Framework Agreement respectively, as follows:

	<b>For the year ended 31 December 2021 <i>(RMB'billion)</i></b>	<b>For the year ended 31 December 2018 <i>(RMB'billion)</i></b>	<b>Amount Change <i>(RMB'billion)</i></b>	<b>Change %</b>
<b>Revenue</b>	34.73	23.18	11.55	49.83
	<b>As at 31 March 2022 <i>(RMB'billion)</i></b>	<b>As at 31 March 2019 <i>(RMB'billion)</i></b>	<b>Amount Change <i>(RMB'billion)</i></b>	<b>Change %</b>
<b>Cash and cash equivalents</b>	3.14	4.03	(0.89)	(22.08)
<b>Accounts receivable</b>	10.52	4.48	6.04	134.82
<b>The sum</b>	<u>13.66</u>	<u>8.51</u>	<u>5.15</u>	<u>60.52</u>

Based on the above table, we noted that there was a substantial increase in revenue for FY2021 (being the latest available public full-year financial information immediately prior to the Latest Practicable Date) as compared to that for the year ended 31 December 2018 (being the latest available public full-year financial information immediately prior to the date of Previous Framework Agreement). There was also a substantial increase in the sum of cash and cash equivalents and accounts receivable as at 31 March 2022 (being the latest available

## LETTER FROM GRAM CAPITAL

financial information immediately prior to the date of Financial Services Framework Agreement) as compared to that as at 31 March 2019 (being the latest available financial information immediately prior to the date of Previous Framework Agreement). As such, we consider that the Increase to be acceptable.

In addition, for the two years ended 31 December 2021, the Group recorded maximum daily deposit balance (including accrued interests) of approximately RMB4.18 billion on 27 October 2020 and approximately RMB3.27 billion on 31 May 2021. Upon our request, the Directors advised us the numbers of the Group's members which placed deposits in SPIC Financial on the aforesaid dates. The Directors also advised us (i) the numbers of the Group's members which placed deposits in SPIC Financial on 31 December 2021; (ii) the numbers of possible projects (assuming each of project will be operated by a subsidiary of the Company). The ratio (the "**Ratio**") of "proposed Annual Cap" to "sum of the numbers of the Group's members which placed deposits in SPIC Financial on 31 December 2021 and the numbers of potential projects" is close to the average ratio (the "**Average Ratio**") of "maximum daily deposit balance (including accrued interests)" to "numbers of the Group's members which placed deposits in SPIC Financial" on 27 October 2020 and on 31 May 2021.

As advised by the Directors, it is difficult to forecast the total cash level for whole period of three years commencing immediately after the effective date of the Financial Services Framework Agreement. Nevertheless, should there be any substantial increase in total cash of the Group, the Group may opt to deposit larger portion of cash in commercial banks or re-comply with the applicable provisions of the Listing Rules governing continuing connected transaction to revise the Annual Cap.

Having also considered the above factors, in particular:

- (i) the maximum utilisation rate of maximum daily deposit balance (including accrued interests) during the term of the Previous Framework Agreement was approximately 99.5%;
- (ii) the sum of cash and cash equivalents and accounts receivable as at 31 March 2022 (which is larger than the Annual Cap) indicates the Group's possible demand of deposit services to be provided by commercial banks and SPIC Financial;
- (iii) as analysed above, the Increase to be acceptable; and
- (iv) the Ratio is close to the Average Ratio,

we consider that the Annual Cap, which is the same during the three-year term of the Financial Services Framework Agreement, is fair and reasonable.

### **Listing Rules implication**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum values of the Deposit Services must be restricted by the Annual Cap for the period concerned under the Financial Services Framework Agreement; (ii) the terms of the Deposit Services under the

## LETTER FROM GRAM CAPITAL

Financial Services Framework Agreement must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Financial Services Framework Agreement must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit Services (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual cap.

In the event that the maximum amounts of the Deposit Services are anticipated to exceed the Annual Cap, or that there is any proposed material amendment to the terms of the Financial Services Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

With the stipulation of the above requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the transactions contemplated under the Financial Services Framework Agreement and hence the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into account that above factors and reasons, we are of the opinion that (i) the Deposit Services are entered into in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Deposit Services are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the GM to approve the Deposit Services and transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham LAM**  
*Managing Director*

*Note:*

*Mr. Graham LAM is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.*

*\* for identification purpose only*



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, save as disclosed below, no person, not being a Director nor chief executive of the Company had an interest or short position in the Shares or underlying Shares which should fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests kept under Section 336 of the SFO.

Name	Capacity	Number of shares in which interested other than under equity derivatives <sup>(3)</sup>	Percentage of issued share capital of the Company (%)	Long/short position
SPIC Finance HK	Beneficial owner	392,275,453	3.62	Long
CPDL	Beneficial owner	2,662,000,000	24.57	Long
CPI Holding <sup>(1)</sup>	Interest of a controlled corporation	2,662,000,000	24.57	Long
SPIC <sup>(2)</sup>	Beneficial owner	2,833,518,060	26.16	Long
	Interest of controlled corporations	5,887,793,513	54.35	Long

*Notes:*

- (1) CPI Holding is the beneficial owner of CPDL and therefore CPI Holding is deemed to be interested in the shares of the Company owned by CPDL for the purposes of the SFO.
- (2) SPIC is the beneficial owner of CPI Holding and SPIC Finance HK and therefore SPIC is deemed to be interested in the shares of the Company owned by CPI Holding and SPIC Finance HK for the purposes of the SFO.
- (3) Save as disclosed above, SPIC, CPI Holding, CPDL and SPIC Finance HK do not have any interest in the equity derivatives of the Company.



### 3. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, none of the Directors or chief executive of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, entered in the register referred to therein, or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

### 4. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors was materially interested in any contract or arrangement entered into by any members of the Group subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.

### 5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not determinable by the employing company within one year without payment of any compensation other than statutory compensation.

### 6. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed below, none of the Directors and their close associates had any competing interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

<b>Name of the Director</b>	<b>Position(s) within the Company</b>	<b>Other Interests</b>
HE Xi	Chairman of the Board and Executive Director	Chief engineer of new energy of SPIC
ZHOU Jie	Non-executive Director	Director of CPI Holding and SPIC Guangdong Power Company Limited
XU Zuyong	Non-executive Director	Special duty director of SPIC

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed Directors held any position as a director or employee of SPIC Finance HK, CPDL, CPI Holding or SPIC.

## 7. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion, letter or advice contained in this circular:

Name	Qualifications
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter as set out in this circular and the references to its name in the form and context in which they were included.

As at the Latest Practicable Date, Gram Capital did not have any shareholding in any members of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

## 8. INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors or the expert named in paragraph 7 of this appendix had any direct or indirect interest in any assets which have been or were proposed to be, acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

## 9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has not been any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

## 10. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. CHEUNG Siu Lan, who is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who holds the dual designations of Chartered Secretary and Chartered Governance Professional, and is also a fellow member of Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (b) The registered office of the Company is Suite 6301, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (c) Computershare Hong Kong Investor Services Limited, the share registrar of the Company, is located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) This circular has been prepared in both English and Chinese. In the case of inconsistency, the English text of this circular will prevail over the Chinese text.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be displayed on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.chinapower.hk](http://www.chinapower.hk) for 14 days from the date of this circular:

- (a) the Financial Services Framework Agreement;
- (b) the Previous Framework Agreement;
- (c) the letter dated 18 May 2022 from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this circular;
- (d) the letter dated 18 May 2022 from Gram Capital, the text of which is set out on pages 19 to 29 of this circular; and
- (e) the written consent given by the Independent Financial Adviser as referred to in the paragraph headed “EXPERT AND CONSENT” of this appendix.

## NOTICE OF GENERAL MEETING



### 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)**

**NOTICE IS HEREBY GIVEN** that a general meeting of China Power International Development Limited (the “**Company**”) will be held on **Thursday, 2 June 2022 at 11:00 a.m.**, with the principal meeting place at Suite 6301, 63/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and with an online live webcast simultaneously (the “**General Meeting**”), for the purposes of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT**

- (a) the renewal of the financial services framework agreement (the “**Framework Agreement**”) between the Company and SPIC Financial Company Limited\* (國家電投財務有限公司) (“**SPIC Financial**”) dated 6 May 2022 (a copy of the Framework Agreement has been produced to the meeting marked “A” and has been initialled by the chairman of the meeting for the purpose of identification) and the provision of deposit services contemplated under the Framework Agreement and all other matters of and incidental thereto or in connection therewith be and are hereby approved and confirmed;
- (b) the annual cap of the deposit services contemplated under the Framework Agreement, being the maximum daily balance of deposits placed by the Company and its subsidiaries from time to time with SPIC Financial during the term of the Framework Agreement as more particularly set out in the circular of the Company dated 18 May 2022 (a copy of which has been produced to the meeting marked “B” and has been initialled by the chairman of the meeting for the purpose of identification), be and are hereby approved and confirmed; and

## NOTICE OF GENERAL MEETING

- (c) any director(s) of the Company be and is/are hereby authorized for and on behalf of the Company, amongst other matters, to sign, seal, execute, perfect, deliver, do or to authorize signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the terms of the Framework Agreement and to make and agree such variations of a non-material nature in or to the terms of the Framework Agreement as he/she may in his discretion consider to be desirable and in the interests of the Company.”

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

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

Hong Kong, 18 May 2022

***Registered Office:***

Suite 6301, 63/F., Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

*Notes:*

- Shareholders of the Company (the “Shareholders”) will NOT be permitted to attend the General Meeting in person, but may view and listen to the General Meeting by online live webcast. Shareholders who wish to vote at the General Meeting should complete and return the form of proxy, appointing the chairman of the General Meeting as their proxies, (i) to the Company’s share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, or (ii) electronically via the Company’s email address at [eproxy@chinapower.hk](mailto:eproxy@chinapower.hk) not less than 48 hours before the time appointed for the holding of the General Meeting or any adjournment thereof (as the case may be). This email address is provided solely for receiving proxy forms relating to the General Meeting and shall not be used for any other purposes.**
- Closure of register of members of the Company for the General Meeting:** The register of members of the Company will be closed from Monday, 30 May 2022 to Thursday, 2 June 2022, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to **qualify to vote at the General Meeting**, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong **not later than 4:30 p.m. on Friday, 27 May 2022.**
- In light of the risks posed by the ongoing COVID-19 pandemic and for the purpose of public health and safety, the Company is adopting following special arrangements for the General Meeting:
  - As required under the Articles of Association of the Company to form a quorate meeting, the General Meeting will be held with the minimum number of attendees to ensure the proper conduct of the General Meeting at the principal meeting place. The quorum will be formed by the directors of the Company or other senior staff members who are Shareholders or proxies. **NO other Shareholder, proxy or corporate representative should attend the General Meeting in person, and NO any other person will be permitted entry to the venue of the General Meeting.**

## NOTICE OF GENERAL MEETING

- (b) All resolutions at the General Meeting will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the General Meeting by proxy. If Shareholders wish to vote on any resolution at the General Meeting, **they must appoint the chairman of the General Meeting as their proxies to exercise their vote at the General Meeting in accordance with their instructions.** If they appoint a person who is not the chairman of the General Meeting as their proxies, that person will not be permitted entry to the meeting and therefore will not be able to exercise their vote.
  - (c) Registered Shareholders may view and listen to the live webcast of the General Meeting proceedings through [www.chinapower.hk/webcast/2022/20220602.php](http://www.chinapower.hk/webcast/2022/20220602.php). The live webcast will be open for registered Shareholders to log in approximately 30 minutes prior to the commencement of the General Meeting and can be accessed from any location with access to the internet with a smart phone, tablet device or computer. Please however, note that registered Shareholders joining the live webcast will not be counted towards a quorum nor will they be able to cast their vote online.
  - (d) **Details regarding the live webcast including the login details will be sent to the registered Shareholders before the General Meeting.**
  - (e) Non-registered Shareholders whose shares of the Company are held through banks, brokers, custodians or HKSCC Nominees Limited (collectively the “**Intermediary**”) should instruct their Intermediary to appoint themselves as proxies or corporate representatives to view and listen to the General Meeting via live webcast and in doing so, they will be asked to provide their email address. Details regarding the live webcast including the login details will be emailed to them by the Company.
  - (f) Shareholders joining the online General Meeting will be able to raise questions relevant to the proposed resolutions during the live webcast. Prior to the General Meeting, Shareholders are also welcome to send such questions or matters in writing to the Company’s email at [ir@chinapower.hk](mailto:ir@chinapower.hk) before Monday, 30 May 2022 at 7:00 p.m. The Company will endeavor to address relevant questions in relation to the proposed resolutions. The Company may not be able to answer all the questions during the time allocated. Unanswered questions may be responded to after the General Meeting.
  - (g) **There will be NO distribution of gifts, souvenirs or bakery vouchers at the General Meeting.**
4. In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of the COVID-19, all director(s) of the Company will attend the General Meeting by means of video conference or similar electronic means.
  5. In the event that a gale warning (tropical cyclone no. 8 or above) or black rainstorm warning is in effect at any time between 9:00 a.m. and 11:00 a.m. on the day of the above meeting, the above meeting will be automatically postponed to a later date. In this event, the Company will, as soon as practicable, post an announcement on its website and on the website of the Stock Exchange to notify the shareholders of the Company that the above meeting has been postponed (however, a failure to post such an announcement shall not affect the automatic postponement of such meeting). Shareholders may also telephone the Company’s hotline on (852) 2862 8555 to enquire whether the meeting has been cancelled. When the date, time and location of the rescheduled meeting has been fixed, the Company will post a further announcement on its website and on the website of the Stock Exchange to notify the Shareholders of the date, time and location of the rescheduled meeting. At least seven clear days’ notice shall be given of the rescheduled meeting.
  6. As required by the Listing Rules, the vote will be taken by poll. The chairman of the General Meeting will demand a poll on the resolution set out in the notice of the General Meeting in accordance with the Articles of Association of the Company.
  7. As at the date of this notice, 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.

## NOTICE OF GENERAL MEETING

If Shareholders have any questions relating to the General Meeting, please contact the share registrar of the Company as follows:

**Computershare Hong Kong Investor Services Limited**

17M Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

Tel: (852) 2862 8555

Fax: (852) 2865 0990

Online Enquiries: [www.computershare.com/hk/en/online\\_feedback](http://www.computershare.com/hk/en/online_feedback)

*Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the HKSAR Government and/or regulatory authorities, the Company may implement further precautionary measures and change the General Meeting arrangements at short notice and may announce further updates on the websites of the Company ([www.chinapower.hk](http://www.chinapower.hk)) and/or the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as and when appropriate. Shareholders should check the latest announcements published by the Company for further updates on the General Meeting arrangements.*