

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 you should take, you should consult a 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 (the “Company”), 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 or transfer 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)

**PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

The extraordinary general meeting of the Company (the “EGM”) will be held on **Wednesday, 15 June 2022 at 10:30 a.m.** at the principal meeting place together with an online live webcast simultaneously. The notice of the EGM is set out on pages 20 to 23 of this circular.

SPECIAL ARRANGEMENTS FOR THE EXTRAORDINARY GENERAL MEETING

In light of the risks posed by the ongoing COVID-19 pandemic and the uncertainties as to the next wave of infections, the Company is adopting special arrangements for the EGM as set out in this circular on pages 1 to 2. **Shareholders will NOT be able to attend in person, but may view and listen to the EGM by online live webcast. Shareholders who wish to vote at the EGM should complete and return the form of proxy, appointing the chairman of the EGM 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 not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). No gifts, souvenirs or bakery vouchers will be distributed at the EGM.**

27 May 2022

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SPECIAL ARRANGEMENTS FOR THE EXTRAORDINARY GENERAL MEETING

According to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F of the Laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Gathering) Regulation (Cap. 599G of the Laws of Hong Kong) (together, the “**Regulations**”), and taking into account the uncertainties as to the next wave of infections, the need to protect EGM attendees from possible exposure to the COVID-19 pandemic and the paramount importance of the safety and wellbeing of the Shareholders, our staff and other members of the community, the Company would be adopting special arrangements for the EGM to minimize attendance in person, while still enabling Shareholders to vote and ask questions. **The EGM will be held at the Company’s registered office as the principal meeting place together with an online live webcast simultaneously. Shareholders are only invited to join the Meeting electronically via the live webcast and physical attendance at the principal meeting place is restricted.** Details of the special arrangements for the EGM are set out below:

ATTENDING THE EGM BY ELECTRONIC MEANS

As required under the Articles to form a quorate meeting, the EGM will be held with the minimum number of attendees to ensure the proper conduct of the Meeting at the principal meeting place. The quorum will be formed by Directors or other senior staff who are Shareholders or proxies. **NO other Shareholder, proxy or corporate representative should attend the EGM in person, and NO other person will be permitted entry to the venue of the EGM.**

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 resolution 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.

Registered Shareholders may view and listen to the live webcast of the Meeting proceedings through <http://www.chinapower.hk/webcast/2022/20220615.php>. The live webcast will be open for registered Shareholders to log in approximately 30 minutes prior to the commencement of the 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.

Details regarding the live webcast including the login details will be sent to the registered Shareholders before the EGM.

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.

SPECIAL ARRANGEMENTS FOR THE EXTRAORDINARY GENERAL MEETING

Further, in line with the guidance jointly provided by the Stock Exchange and the Securities and Futures Commission on 1 April 2020, **there will be NO distribution of gifts, souvenirs or bakery vouchers at the EGM.**

APPOINTMENT OF PROXY FOR VOTING

Shareholders shall exercise their voting rights by submitting a form of proxy appointing the chairman of the EGM as their proxies. The proxy form is enclosed with this circular or can be downloaded from the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.chinapower.hk. Completed proxy forms must be returned to (i) 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 holding of the EGM or any adjournment thereof (as the case may be).

Any person appointed by the Shareholders as proxy other than the chairman of the EGM will not be permitted entry to the venue of the Meeting and therefore will not be able to exercise their vote.

QUESTIONS AT OR PRIOR TO THE EGM

Shareholders joining the online Meeting will be able to raise questions relevant to the proposed resolution during the live webcast. Prior to the EGM, Shareholders are also welcome to send such questions or matters in writing to the Company's email at **ir@chinapower.hk** before Friday, 10 June 2022, 7:00 p.m.

The Company will endeavour to address relevant questions in relation to the proposed resolution. The Company may not be able to answer all the questions during the time allocated. Unanswered questions may be responded to after the Meeting.

If Shareholders have any questions relating to the EGM, 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

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 EGM arrangements at short notice and may announce further updates on the websites of the Company (www.chinapower.hk) and/or the Stock Exchange (www.hkexnews.hk) as and when appropriate. Shareholders should check the latest announcements published by the Company for further updates on the EGM arrangements.

DEFINITIONS

In this circular (other than the Notice of Extraordinary General Meeting), the following expressions have the following meanings unless the context requires otherwise:

“Articles”	The Articles of Association of the Company
“Board”	the board of Directors of the Company
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Conditions for Grant”	the conditions upon which the Company may grant Share Options to the Scheme Participants
“Conditions for Vesting”	the conditions upon which Share Options shall be vested in and become exercisable by the Scheme Participants
“Director(s)”	director(s) of the Company
“Effective Period”	the period during which the Scheme is effective
“EGM” or “Meeting”	the extraordinary general meeting of the Company to be held at 10:30 a.m. on Wednesday, 15 June 2022
“Exercise Period”	the period during which the Share Options shall be vested in and exercisable by the Scheme Participants
“Exercise Price”	the price determined by the Company when granting the Share Options to the Scheme Participant(s), at which the Scheme Participant(s) subscribe for the Shares upon exercise of the Share Options
“Grant”	the granting of the Share Options under the Scheme to the Scheme Participants
“Grant Date”	a date on which the Share Options are granted to the Scheme Participant(s) by the Board pursuant to the Scheme
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 May 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the Remuneration and Nomination Committee under the Board
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Scheme Participant(s)”	the participant(s) to the Scheme
“Share(s)”	ordinary share(s) of the Company
“Share Incentive Scheme” or “Scheme”	the share option incentive scheme proposed to be approved by the Shareholders at the EGM, a summary of the principal terms of which is set out in Appendix I to this circular
“Share Options”	rights to acquire Shares under the terms of the Scheme
“Shareholder(s)”	person(s) whose names appear on the register of members as a registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it by the Listing Rules

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

27 May 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 10 May 2022 in relation to the proposed adoption of new Share Incentive Scheme.

The purpose of this circular is to provide you with, among other things, further details of the terms of the Share Incentive Scheme, and to seek your approval of the resolution relating to the Share Incentive Scheme to be proposed at the EGM.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEME

The Company proposes to adopt the new Share Incentive Scheme for the approval by the Shareholders. Save for the proposed Share Incentive Scheme to be adopted, as at the Latest Practicable Date, the Company does not have any other share option scheme. A summary of the principal terms of the Scheme is set out in Appendix I to this circular.

Purposes

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

Pre-conditions of the Share Incentive Scheme

The Scheme is subject to the obtaining of (i) the letter of consent and approval from the SASAC; and (ii) the approval and adoption of the Scheme at a general meeting of the Company.

As at the Latest Practicable Date, the Company had already obtained the letter of consent and approval from the SASAC in respect of the adoption of the Scheme.

Maximum Shares to be issued under the Scheme

The total aggregate number of Shares to be issued pursuant to the exercise of the Share Options granted to the Scheme Participants under the Scheme shall not exceed 111,711,100 Shares, representing approximately 1.0312% of the total share capital (i.e. 10,833,386,321 Shares) of the Company as at the Latest Practicable Date, of which the quantity of the initial grant will not be more than 100,540,000 Shares, accounting for 90% of all the Share Options under the Scheme.

Application for Listing

Pursuant to the Listing Rules, the Company is required to obtain the approval from the Listing Committee of the Stock Exchange on the listing of, and permission to deal in, the Shares which may fall to be allotted and issued by the Company pursuant to the exercise of the Share Options in accordance with the terms and conditions of the Scheme.

Application will be made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of any Share Options granted under the Scheme.

LETTER FROM THE BOARD

Value of Share Options

The Company considers that it would not be appropriate to state the value of all Share Options that may be granted under the Share Incentive Scheme as if they had been granted on the Latest Practicable Date because there are a number of variables which are material for the calculation of the value of the Share Options. Such variables include the Exercise Price, Exercise Period, any lock-up period and any performance targets required to be achieved and other factors. The Company believes that any calculation of the value of the Share Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

Document Available for Inspection

A copy of the terms of the Share Incentive Scheme will be posted on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinapower.hk) not less than 14 days before the date of the EGM and is also available for inspection at the EGM.

3. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

An ordinary resolution will be proposed at the EGM to approve the proposed adoption of new Share Incentive Scheme. To the best of the Directors' knowledge and information, having made all reasonable enquiries, no Shareholder has a material interest in the Share Incentive Scheme and therefore no Shareholder is required to abstain from voting at the EGM.

The EGM will be held on Wednesday, 15 June 2022 at 10:30 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 and the uncertainties as to the next wave of infections, Shareholders are only invited to join the online Meeting.**

The Company will make available a live webcast of the EGM for all registered Shareholders. **Registered Shareholders may view and listen to the EGM 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 EGM.**

As required under the Articles regarding quorate meeting, the quorum of the EGM will be formed by Directors or other senior staff 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 resolution 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.

The notice of the EGM is set out on pages 20 to 23 of this circular. Additional information regarding the business to be considered at the EGM is set out on pages 10 to 19 of this circular.

LETTER FROM THE BOARD

As set out in the “Special Arrangements for the Extraordinary General Meeting” (on pages 1 to 2 of this circular), **Shareholders will NOT be able to attend the EGM in person, but may view and listen to the EGM by online live webcast. Shareholders who wish to vote at the EGM should complete and return the form of proxy, appointing the chairman of the EGM 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 EGM or any adjournment thereof (as the case may be). Any person appointed by the Shareholders as proxy other than the chairman of the EGM will not be permitted entry to the Meeting and therefore will not be able to exercise their vote.

A form of proxy for use at the EGM is enclosed with this circular or can be downloaded from the website of the Stock Exchange at www.hkexnews.hk and on the Company’s website at www.chinapower.hk.

Shareholders are reminded to read carefully the “Special Arrangements for the Extraordinary General Meeting” set out in this circular.

4. VOTING BY WAY OF POLL

Under Rule 13.39(4) of the Listing Rules, vote(s) of Shareholders at general meeting(s) must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on a show of hands. As such, the chairman of the EGM shall pursuant to article 61 of the Articles demand the resolution to be proposed at the EGM be put to the vote by way of a poll.

5. RECOMMENDATION

The Board believes that the framework in relation to the grant and vesting of the Share Options under the Scheme (including the Exercise Price, setting of Conditions for Vesting and specifying a waiting period before the Share Options can be exercised) is conducive to enhancing the competitiveness of the Company and increasing the attractiveness of the Company to the talents in the industry, and therefore serves the purpose of the Scheme.

The Directors (including the independent non-executive Directors) consider that the proposed adoption of new Share Incentive Scheme and the Board being authorised to handle all matters in relation to the Share Incentive Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend all Shareholders to vote in favour of the resolution relating to the Share Incentive Scheme to be proposed at the EGM.

LETTER FROM THE BOARD

6. 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 this circular or any statement herein misleading.

Yours faithfully,
On behalf of the Board
HE Xi
Chairman

The following is a summary of the principal terms of the Share Incentive Scheme to be approved at the EGM. It does not constitute and is not intended to form part of the rules of the Share Incentive Scheme and shall not be deemed to affect the interpretation of the rules of the Share Incentive Scheme. The Directors reserve the right to make such amendments to the Share Incentive Scheme as they may consider necessary or appropriate at any time prior to the EGM, provided that such amendments do not conflict in any material respect with the summary in this Appendix.

1. PURPOSES

The Share Incentive Scheme aims at (1) further improving the incentive mechanism of the Company in support of the transformation and development of the Company; (2) fully motivating the Company's senior management, middle management and core business backbone personnel; and (3) aligning the interest of the Shareholders, the Company and the individual interest of the core backbone employees effectively, so that all parties will share a common concern for the long-term development of the Company.

2. SCOPE OF SCHEME PARTICIPANTS

The Scheme Participants under the Scheme are the Directors, senior management and backbone management, technical and business personnel (who have a direct impact on the Company's operating performance and sustainable development) of the Company (including its controlled subsidiaries). The assessment results of the Scheme Participants shall meet or exceed the relevant standards for performance appraisal of the Company.

The Scheme Participants shall exclude any person if he/she falls under any of the following:

- (i) persons who do not hold any positions in or are not employed by the Company or its controlled subsidiaries;
- (ii) independent non-executive Directors or any external directors;
- (iii) Shareholders or de-facto controllers of the Company who, individually or collectively, hold over 5% of the Shares, their spouses, parents, children and "associates" as defined under the Listing Rules; and
- (iv) responsible persons of the enterprises managed by SASAC.

Before granting any Share Options to the Scheme Participants, a Board meeting shall be convened to review the Conditions for Grant set by the Company and whether the Conditions for Grant have been fulfilled, which shall be endorsed and confirmed by the Remuneration Committee. If the conditions are not fulfilled, the Company shall not grant any Share Options to the Scheme Participants and the Share Options which have not been granted shall not be deferred to the next grant.

3. SOURCE OF SHARES

New Shares listed on the Stock Exchange will be issued to the Scheme Participant(s) pursuant to the exercise of the Share Options granted under the Scheme.

4. EFFECTIVE PERIOD

The Scheme shall be valid from the Grant Date until the date when all Share Options have been exercised or cancelled and the maximum Effective Period of the Scheme shall not exceed 72 months.

5. TOTAL QUANTITY OF GRANT AND GRANT DATE

Total quantity of Grant

The total aggregate number of Shares to be issued pursuant to the exercise of the Share Options granted to the Scheme Participants under the Scheme shall not exceed 111,711,100 Shares, representing approximately 1.0312% of the total share capital (i.e. 10,833,386,321 Shares) of the Company as at the Latest Practicable Date, of which the quantity of the initial grant will not be more than 100,540,000 Shares accounting for 90% of all the Share Options under the Scheme.

Unless approved by a resolution at a general meeting, the number of underlying Shares in respect of the Share Options granted to a Scheme Participant (including exercised and outstanding Share Options) during the Effective Period of the Scheme shall not in aggregate exceed 1% of the total share capital of the Company.

In the event of conversion of capital reserve into new Shares, issue of bonus Shares, share subdivision, rights issue, share consolidation, etc. during the period from the date of announcement of the Scheme to the completion of registration of the underlying Shares of the Share Options by a Scheme Participant, the number of Share Options to be granted will be subject to adjustments in accordance with the relevant rules of the Scheme.

Grant Date

The Grant Date shall be a trading day, and shall be determined by the Board after the Scheme has been considered and approved at a general meeting of the Company.

The Board shall not grant Share Options to a Scheme Participant following the occurrence of a possible price-sensitive event, or under a possible price-sensitive situation which arises as a result of a resolution, until all price-sensitive information has been announced or disclosed in accordance with the requirements of the Listing Rules and any stipulated restriction period thereof has expired. Holders of the Share Options already granted who have knowledge of the above information may not exercise their Share Options until the above announcement has been made.

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

- (1) the date of the Board meeting for the approval of any annual, half-yearly, quarterly and any other interim results of the Company;
- (2) the deadline for the Company to announce its annual, half-yearly, quarterly or any other interim results in accordance with the Listing Rules, until the end of the day of the relevant results announcement.

6. CONDITIONS FOR GRANT AND EXERCISE PRICE

Conditions for Grant

The Company may grant Share Options to a Scheme Participant upon fulfilment of the following conditions by the Company and the Scheme Participant:

- (1) The Company has complied with the requirements of Article 6 of the Guidelines on the Implementation of Share Incentive Scheme for Listed Companies Controlled by Central Enterprises of the PRC in relation to the conditions to be met by the Company for the implementation of share incentive scheme and satisfies the requirements for the implementation of share incentive scheme.
- (2) Conditions for Grant for a Scheme Participant:
 - (i) the Scheme Participant holds position in or is employed by the Company or its controlled subsidiaries;
 - (ii) the Scheme Participant is not under any circumstances prescribed in the Scheme where he/she shall not participate in the Scheme; and
 - (iii) according to the relevant measures for performance appraisal of the Company, there were no “unsatisfactory” results in the individual performance appraisal in relation to the Scheme Participant in the last three years before the Grant Date.
- (3) The Scheme sets performance conditions for the grant and grants are made only when all performance metrics meet the set targets. The performance metrics under the Scheme shall be set on such level that is comparable to the Company’s industry peers and comparable companies of the Company.

Exercise Price

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

- (1) the closing price of the Shares on the Grant Date; and

- (2) the average closing price of the Shares on the five (5) trading days prior to the Grant Date.

In the event of conversion of capital reserve into new Shares, issue of bonus Shares, share subdivision, rights issue, share consolidation, etc. during the period from the date of announcement of the Scheme to the completion of registration of the underlying Shares of the Share Options by a Scheme Participant, the Exercise Price of the Share Options will be subject to adjustments in accordance with the relevant rules of the Scheme.

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

7. TIME LIMIT FOR EXERCISE OF SHARE OPTIONS

Waiting Period

No Share Options shall be exercised within twenty-four (24) months from the Grant Date of the relevant Share Options.

Exercise Period

The Scheme Participant(s) may exercise their Share Options in tranches during the Exercise Period after the expiration of the waiting period, subject to the achievement of specific performance appraisal targets for that year as a Condition for Vesting, the specific arrangements are as follows:

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

Conditions for Vesting

The Share Options granted to the Scheme Participants are exercisable only if the following conditions are met.

Conditions for Vesting in relation to the Company

- (i) Share Options granted under the Scheme are subject to performance appraisal in parallel to the exercise on an annual basis over the three accounting years of the Exercise Period, with the achievement of performance appraisal targets as a Condition for Vesting for Scheme Participants. These performance appraisal targets may include, but are not limited to: (a) the level of return on equity (expressed as an average weighted indicator after deducting non-recurring gains and losses) and the ranking compared with the industry average or benchmark companies; (b) the level of compound growth rate of net profit and the ranking compared with the industry average or benchmark companies (net profit shall be that attributable to the shareholders of the parent company, and the same calculation basis shall be applied to the benchmark companies used for comparison); (c) the level of economic value added (EVA) rate; and (d) the ratio of clean energy installed capacity to total installed capacity; and
- (ii) the Company is not under any circumstances prescribed in the Scheme where the Scheme shall be terminated.

Conditions for Vesting for the Scheme Participant

- (i) According to the Company's performance appraisal measures, the Scheme Participants may only exercise their Share Options for the current period if their performance appraisal of the previous year satisfies the conditions. The Remuneration Committee will evaluate the comprehensive appraisal of the Scheme Participants in each appraisal year and determine the exercise ratio of a Scheme Participant according to his/her individual performance appraisal results; and
- (ii) the Scheme Participant is not under any circumstances (for example, in breach of the requirements of the Articles or serious breach of duty) prescribed in the Scheme.

If a Scheme Participant is under any circumstances referred to in (ii) above, the outstanding Share Options granted to such Scheme Participant shall not be exercised, unless otherwise specified in the Scheme.

8. TRANSFERABILITY OF SHARE OPTIONS

The Share Options shall be personal to the Scheme Participants to whom the Share Options are granted and shall not be transferred or used as guarantee or repayment of debts before such Share Options are exercised.

9. RIGHTS ATTACHING TO SHARE OPTIONS AND SHARES

The Share Options granted to the Scheme Participants shall be entitled to the rights of their Shares upon registration of transfer by the Company's share registrar, including but not limited to the rights to dividends, rights issue, voting rights, etc. and shall rank *pari passu* with other Shareholders who own the same type of Shares.

10. ADJUSTMENT TO SHARE OPTIONS

In the event of conversion of capital reserve into new Shares, issue of bonus Shares, share subdivision, rights issue, share consolidation, etc. during the period from the date of announcement of the Scheme to the completion of registration of the underlying Shares of the Share Options by a Scheme Participant, the number of Share Options to be granted and the Exercise Price will be subject to adjustments in accordance with the relevant rules of the Scheme.

In addition, in respect of any such adjustments, the auditors or an independent financial adviser of the Company must confirm to the Directors in writing that the adjustments satisfy the relevant requirements under Chapter 17 of the Listing Rules.

11. ADJUSTMENT TO THE NUMBER OF SHARE OPTIONS

Subject to compliance with the requirements of the section under “Adjustment to Share Options” in this circular, if there is any conversion of capital reserve into new Shares, issue of bonus Shares, share subdivision, rights issue, share consolidation, etc. during the period from the date of announcement of the Scheme to the completion of registration of the underlying Shares of the Share Options by a Scheme Participant, the number of Share Options to be granted will be subject to adjustments in accordance with the relevant rules of the Scheme. The method of adjustment is set out as below:

Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision

$$Q = Q_0 \times (1 + n)$$

Where: “ Q_0 ” represents the number of Share Options before the adjustment; “ n ” represents the ratio per Share of conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision (i.e. the number of shares increased per share after conversion, issue or subdivision); “ Q ” represents the number of Share Options after the adjustment.

Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “ Q_0 ” represents the number of Share Options before the adjustment; “ P_1 ” represents the closing price as at the record date of the Share Options; “ P_2 ” represents the subscription price; “ n ” represents the ratio of allotment (i.e. the ratio of the number of Shares in the rights issue to the total share capital of the Company before the rights issue); “ Q ” represents the number of Share Options after the adjustment.

Share consolidation

$$Q = Q_0 \times n$$

Where: “ Q_0 ” represents the number of Share Options before the adjustment; “ n ” represents the ratio of consolidation (i.e. one share consolidated into n shares); “ Q ” represents the number of Share Options after the adjustment.

Additional issuance

In the event of additional issuance of new Shares by the Company, the number of Share Options will not be adjusted.

12. ADJUSTMENT TO EXERCISE PRICE

Subject to compliance with the requirements of the section under “Adjustment to Share Options” in this circular, if there is any conversion of capital reserve into new Shares, issue of bonus Shares, share subdivision, rights issue, share consolidation, etc. during the period from the date of announcement of the Scheme to the completion of registration of the underlying Shares of the Share Options by a Scheme Participant, the Exercise Price of Share Options will be subject to adjustments in accordance with the relevant rules of the Scheme. The method of adjustment is set out as below:

Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision

$$P = P_0 \div (1 + n)$$

Where: “ P_0 ” represents the Exercise Price before the adjustment; “ n ” represents the ratio per Share of the conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision; “ P ” represents the Exercise Price after the adjustment.

Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: “ P_0 ” represents the Exercise Price before the adjustment; “ P_1 ” represents the closing price as at the record date of the Share Options; “ P_2 ” represents the subscription price; “ n ” represents the ratio of allotment (i.e. the ratio of the number of Shares in the rights issue to the total share capital of the Company before the rights issue); “ P ” represents the Exercise Price after the adjustment.

Share consolidation

$$P = P_0 \div n$$

Where: “ P_0 ” represents the Exercise Price before the adjustment; “ n ” represents the ratio of consolidation; “ P ” represents the Exercise Price after the adjustment.

Additional issuance

In the event of additional issuance of new Shares by the Company, the Exercise Price of Share Options will not be adjusted.

13. TERMINATION OF THE SCHEME

If any of the following events occurs in relation to the Company, the Scheme shall be terminated, including but not limited to:

- (1) failure to engage an auditor to carry out audit work in accordance with the relevant procedures and requirements;
- (2) issue of an auditors' report by a certified public accountant with an adverse opinion or a disclaimer of opinion with respect to the annual financial report or internal control evaluation report of the Company;
- (3) the state-owned assets supervisory authority or the audit department raising material objections to the financial results or the annual financial report of the Company;
- (4) imposition of penalties by the securities regulator or other relevant authorities due to serious violations of relevant laws or regulations by the Company.

Upon termination of the Scheme by the Company due to the circumstances described above, outstanding Share Options granted to Scheme Participants shall not be exercised.

14. LAPSE AND CANCELLATION OF SHARE OPTIONS

In the event of termination or cancellation of the employment relationship between a Scheme Participant and the Company for objective reasons such as transfer, removal, retirement, death, loss of capacity to civil act, etc., the exercisable portion of the granted Share Options may be exercised within six months from the date of termination of employment (or when they become exercisable) if the exercisable time limit and performance evaluation criteria are met in that year, and the Share Options will lapse after six months; if the exercisable time limit and performance evaluation criteria are not met in that year, in principle, the Share Options shall no longer be exercisable. The Share Options then outstanding shall not be exercised.

If a Scheme Participant resigns (excluding resignation due to organizational transfer) or is terminated from the employment relationship for personal reasons, the Share Options then outstanding shall no longer be exercisable. Incentive gains received from equity awards will be negotiated and resolved in accordance with the provisions of the grant agreement or the share incentive management rules.

The outstanding Share Options granted to a Scheme Participant under the Scheme shall not be exercised if the Scheme Participant is unable to perform his/her duties or if he/she is involved in any of the following:

- (i) any violation of national laws and regulations, breach of professional ethics, disclosure of the Company's secrets, dereliction of duty or malfeasance of duty that seriously damages the interests or reputation of the Company and causes direct or indirect economic loss to the Company;
- (ii) he/she, as an employee who has violated the Company's rules and regulations, has been dismissed for serious violations of discipline in accordance with the Company's rules on employee rewards and punishments;
- (iii) the Company has sufficient evidence to prove that the Scheme Participant has committed any illegal and undisciplined acts such as accepting bribes, soliciting bribes, corruption, theft, disclosing business and technical secrets, during his or her employment, which directly or indirectly harm the interests of the Company;
- (iv) he/she is held criminally liable for a criminal act or commit other misconduct;
- (v) he/she has engaged in an act of bankruptcy or insolvency or has entered into any arrangement or reorganization of his/her debts with his/her major creditors;
- (vi) (if so determined by the Board) there is any other ground which entitles the employer to terminate the employment under any applicable law, or pursuant to the service contract or terms of employment entered into between the Scheme Participant and the Group;
- (vii) violation of the relevant laws and regulations or the Articles that caused undue damage to the Company, etc.

In the event of incapacity other than due to work-related injury on the part of a Scheme Participant, if the time limit for vesting the Share Options and the performance evaluation criteria have been met at the time of such occurrence, the vested portion of the Share Options may be exercised within six months from the date of termination of employment, and the Share Options will lapse after six months; if the time limit for vesting the Share Options and the performance evaluation criteria have not been met, the Share Options shall not be exercised. In case of incapacity due to work-related injury, the Share Options granted to him shall remain unchanged and can still be exercised in accordance with the relevant rules.

Other circumstances under which the Share Options granted to a Scheme Participant shall lapse are as follows:

- (i) in the event of a qualified relationship between the Scheme Participant and the Company or any of its subsidiaries (other than as an employee or senior management), the Scheme Participant's Share Options shall lapse on the date the Scheme Participant terminates his or her qualified relationship with the Company or any of its subsidiaries for any reason;

- (ii) in the event of a breach of the rules described in the Scheme by the Scheme Participant, the Share Options shall lapse from the date when the Board exercises the Company's right to cancel such Share Options;
- (iii) if Share Options are granted pursuant to certain conditions, restrictions or limits, such Share Options shall lapse on the date when the Board resolves that the Scheme Participant fails to meet or satisfy such conditions, restrictions or limits;
- (iv) Share Options shall lapse on the date of occurrence of such event as may be expressly provided for in the letter relating to the grant of such Share Options or expiry of such period (if any);
- (v) other circumstances not specified and the manner in which they are handled are to be determined by the Board.

The Board may, at its sole discretion, cancel any granted Share Options which have not been exercised in accordance with such terms as may be agreed with the relevant Scheme Participant in a manner consistent with all applicable legal requirements. If the Company cancels Share Options and then issues new Share Options to the same Scheme Participant, new Share Options may only be issued under the Share Incentive Scheme where there are outstanding Share Options (excluding the cancelled Share Options) within the limit approved by the Shareholders as described in the relevant provisions of Chapter 17 of the Listing Rules.

15. AMENDMENT TO THE SCHEME

The Company may amend the Share Incentive Scheme prior to its approval at a general meeting. Amendments are subject to the approval of the Board.

If the Company amends the Share Incentive Scheme which has been approved at a general meeting, such amendment shall be announced in a timely manner and submitted to the general meeting for consideration, and shall not include the following circumstances:

- (1) early exercise of Share Options;
- (2) reduction of Exercise Price.

The Remuneration Committee shall express an independent opinion as to whether the amended Scheme is beneficial to the sustainable development of the Company and whether there are circumstances that are clearly prejudicial to the interests of the Company and all Shareholders. The legal counsel shall express its professional opinion as to whether the amended Scheme is in compliance with the Scheme and the relevant laws and regulations, and whether there are circumstances that are clearly prejudicial to the interests of the Company and all Shareholders, and the amended Scheme or the Share Options shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

NOTICE OF EXTRAORDINARY 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 OF EXTRAORDINARY GENERAL MEETING PROPOSED ADOPTION OF NEW SHARE INCENTIVE SCHEME

SPECIAL ARRANGEMENTS FOR THE EXTRAORDINARY GENERAL MEETING

In light of the risks posed by the ongoing COVID-19 pandemic and the uncertainties as to the next wave of infections, the Company is adopting special arrangements for the EGM. For health and safety purpose, **Shareholders will NOT be able to attend in person, but may view and listen to the EGM by online live webcast. Shareholders who wish to vote at the EGM should complete and return the form of proxy by appointing the chairman of the EGM as their proxies.**

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 changes and further precautionary measures for the EGM arrangements and may issue further announcement as and when appropriate.

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of China Power International Development Limited (the “**Company**”) will be held on **Wednesday, 15 June 2022 at 10:30 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 “**EGM**”) for the purpose of considering and, if thought fit, passing with or without amendments the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the approval from the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the listing of, and permission to deal in, the ordinary shares (the “**Share(s)**”) to be allotted and issued by the Company pursuant to the exercise of any share options (“**Share Options**”) which may be granted under the Share Options Incentive Scheme (the “**Share Incentive Scheme**”, the terms of which are contained in a document marked “A” which has been produced to the EGM and signed by the chairman of the EGM for the purpose of identification), the Share Incentive Scheme be and is hereby approved and adopted; and the directors of the Company be and are hereby authorized to take all steps and actions and execute all transactions, arrangements and agreements which are necessary or expedient in order to give full effect to the Share Incentive Scheme, including but not limited to:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) granting Share Options during the term of the Share Incentive Scheme and cancelling Share Options in accordance with the terms of the Share Incentive Scheme;
- (b) allotting, issuing and dealing with the Share(s) which is/are required to be issued pursuant to the exercise of any Share Options granted thereof;
- (c) modifying and/or amending the Share Incentive Scheme and the terms of any Share Option granted from time to time provided that such modification and/or amendment is effected in accordance with the terms of the Share Incentive Scheme relating to the modification and/or amendment thereof and is subject to the requirements of the Rules Governing the Listing of Securities on the Stock Exchange; and
- (d) acting as the executive body of the Share Incentive Scheme, and being responsible for its implementation and administration.”

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

Hong Kong, 27 May 2022

Registered Office:

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

Notes:

1. With regard to the resolution set out in this notice, a circular dated 27 May 2022 giving details of the proposed adoption of new Share Incentive Scheme incorporating this notice (the “**Circular**”) will be despatched to the shareholders of the Company (the “**Shareholders**”).
2. As set out in the “**Special Arrangements for the Extraordinary General Meeting**” (on pages 1 to 2 of the Circular which this notice forms part), **Shareholders will NOT be permitted to attend the EGM in person, but may view and listen to the EGM by online live webcast. Shareholders who wish to vote at the EGM should complete and return the form of proxy, appointing the chairman of the EGM 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 not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). This email address is provided solely for receiving proxy forms relating to the EGM and shall not be used for any other purposes.**
3. **Closure of register of members of the Company for the EGM:** The register of members of the Company will be closed from Thursday, 9 June 2022 to Wednesday, 15 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 EGM**, 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 Wednesday, 8 June 2022.**

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. 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 EGM:
- (a) As required under the Articles of Association of the Company to form a quorate meeting, the EGM will be held with the minimum number of attendees to ensure the proper conduct of the EGM at the principal meeting place. The quorum will be formed by the directors of the Company or other senior staff who are Shareholders or proxies. **NO other Shareholder, proxy or corporate representative should attend the EGM in person, and NO any other person will be permitted entry to the venue of the EGM.**
 - (b) The voting of the resolution at the EGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the EGM by proxy. **If Shareholders wish to vote on any resolution at the EGM, they must appoint the chairman of the EGM as their proxies to exercise their vote at the EGM in accordance with their instructions. If they appoint a person who is not the chairman of the EGM 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 EGM proceedings through <http://www.chinapower.hk/webcast/2022/20220615.php>. The live webcast will be open for registered Shareholders to log in approximately 30 minutes prior to the commencement of the EGM 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 EGM.**
 - (e) Non-registered Shareholders whose Shares 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 EGM via the 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 EGM will be able to raise questions relevant to the proposed resolution during the live webcast. Prior to the EGM, Shareholders are also welcome to send such questions or matters in writing to the Company’s email at ir@chinapower.hk before Friday, 10 June 2022 at 7:00 p.m. The Company will endeavour to address relevant questions in relation to the proposed resolution. The Company may not be able to answer all the questions during the time allocated. Unanswered questions may be responded to after the EGM.
 - (g) **There will be NO distribution of gifts, souvenirs or bakery vouchers at the EGM.**
5. In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of the COVID-19, all directors of the Company will attend the EGM by means of video conference or similar electronic means.
6. 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 10:30 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 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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.

If Shareholders have any questions relating to the EGM, 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

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 EGM arrangements at short notice and may announce further updates on the websites of the Company (www.chinapower.hk) and/or the Stock Exchange (www.hkexnews.hk) as and when appropriate. Shareholders should check the latest announcements published by the Company for further updates on the EGM arrangements.