

24 October 2019

## **Issue of USD500,000,000 3.55% Perpetual Capital Securities by CLP Power HK Finance Ltd.**

CLP Power Hong Kong Limited (“CLP Power”) announces that its wholly-owned subsidiary CLP Power HK Finance Ltd. has successfully completed the issuance of USD500 million of 3.55% non-call 5.25-year perpetual capital securities (the “Securities”). The Securities are unconditionally and irrevocably guaranteed by CLP Power, rated A1 and A+ by Moody’s and Standard and Poor’s (“S&P”) respectively. The Securities are rated A3 and A- by Moody’s and S&P respectively, and will be listed on The Stock Exchange of Hong Kong Limited. Proceeds from the Securities will be used to redeem CLP Power HK Finance Ltd.’s outstanding USD750 million perpetual subordinated guaranteed capital securities issued on 7 May 2014 and 13 June 2014 (the “Existing Securities”).

The Securities represents CLP Power’s second issue of hybrid capital securities in the USD market, and extends CLP Power’s presence among the highest investment grade corporate issuers to issue a hybrid transaction in Asia.

The Securities have been priced with a coupon of 3.55% payable semi-annually in arrears. The Securities are perpetual and non-callable in the first 5.25 years (with issuer call option at par at any time in the 3 months before). There will be a coupon step-up of 25 basis points and an additional 75 basis points at Year 10.25 and Year 25.25 respectively. This structure allows CLP Power to achieve 50% equity credit from Moody’s and S&P respectively (with respect to S&P, for the first 5.25 years from issuance), as well as 100% equity accounting treatment. The Securities were nearly 6.4 times over-subscribed with more than USD 3.2 billion in orders from global investors. The coupon of the Securities is 70 basis points tighter than that of the Existing Securities, and represents a new lowest ever coupon rate for a USD denominated Asian rating agency equity targeted corporate hybrid transaction.

The Securities enable CLP Power to further strengthen its credit profile, diversify its funding sources, and underline its management’s dedication to maintaining the Company’s strong credit ratings.

The Joint Lead Managers are Crédit Agricole CIB (“CACIB”), The Hongkong and Shanghai Banking Corporation Limited (“HSBC”), J.P. Morgan, Mizuho Securities, and Standard Chartered Bank.

### **Important Notice**

*This release is for information purposes only and does not constitute or form part of any invitation or offer to acquire, purchase or subscribe for securities, **nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever.** The Securities and the guarantee of the Securities (the “**Guarantee**”) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States or other jurisdiction. The Securities and the Guarantee may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities and the Guarantee are being offered and sold outside the United States to non-U.S. persons (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act. **This release is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.***

### **About CLP Power Hong Kong Limited**

CLP Power Hong Kong Limited ("CLP Power") is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer services to 6 million people in its supply area.

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#### **Media contact**

Ms Justine Lau  
Public Affairs Manager  
CLP Power Hong Kong Limited  
Email: [justine.lau@clp.com.hk](mailto:justine.lau@clp.com.hk)  
Tel: (852) 2678 8963  
Media Enquiry Hotline: (852) 7306 2992

#### **Analyst contact**

Mr Angus Guthrie  
Director – Investor Relations  
CLP Holdings Limited  
Email: [ir@clp.com.hk](mailto:ir@clp.com.hk)