

19 July 2017

## Issue of US\$500,000,000 3.25% Notes due 2027 by Castle Peak Power Finance Company Limited

Castle Peak Power Company Limited (**CAPCO**) announces that its wholly-owned subsidiary Castle Peak Power Finance Company Limited has successfully priced US\$500 million 3.25% senior unsecured notes due 2027 (the **Notes**) under Castle Peak Power Finance Company Limited's US\$2 billion Medium Term Note Programme (**MTN Programme**). The Notes will be unconditionally and irrevocably guaranteed by CAPCO, rated A1 and AA- by Moody's and Standard and Poor's, respectively, and listed on The Stock Exchange of Hong Kong Limited.

"We are pleased with the successful placement of the notes which represents the first Energy Transition Bond issued under CLP's new Climate Action Finance Framework and underscores our continuous commitment to diversify financing sources through innovative means. Not only have the notes brought further diversification in financing options but they also came with competitive pricing on the back of keen interest from investors around the world. The new Energy Transition Bonds will be listed in Hong Kong contributing to the city's regional ambition for climate financing," said Geert Peeters, Executive Director and Chief Financial Officer of CLP Holdings and Director of Castle Peak Power Finance Company Limited.

The Notes represent CAPCO's inaugural issue under the MTN Programme established in June 2017. The proceeds from the Notes will be used to finance the construction of a new 550MW gas-fired combined cycle generation unit at CAPCO's Black Point Power Station in Hong Kong. The new unit will employ latest gas turbine technology to achieve high thermal efficiency and a lower carbon emissions intensity than the average of the generation units currently used in Hong Kong.

Chiang Tung Keung, Managing Director of CLP Power Hong Kong and Director of Castle Peak Power Finance Company Limited, said, "The new generation unit at Black Point is an important step towards meeting the Government's target of increasing local gas generation to around 50% of the total fuel mix in 2020. This new climate financing initiative combined with very favourable export credit covered loan facilities associated with the equipment purchased have provided attractive funding in support of CLP's material contribution to Hong Kong's low carbon transition."

The Notes have been priced at 1.025% over the 10-year US Treasury Note and carry a coupon of 3.25%. The Notes are expected to be issued on 25 July 2017, subject to the satisfaction of certain conditions precedent. The Notes will be redeemed at par in July 2027.

The Notes were more than 2.5 times over-subscribed with over US\$1.25 billion in orders from global investors. The Joint Bookrunners are ANZ, Crédit Agricole CIB, HSBC, 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 Notes and the guarantee of the Notes (together, the “**Securities**”) have not been and will not be registered under the U.S. 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 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 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 Castle Peak Power Company Limited**

Castle Peak Power Company Ltd. (CAPCO) is a joint venture of CLP Power Hong Kong Ltd. (CLP Power) and China Southern Power Grid International (HK) Co., Ltd., a wholly owned subsidiary of China Southern Power Grid Co. Ltd, under a 70/30 partnership. CAPCO currently owns three power stations, Castle Peak Power Station, Black Point Power Station and Penny’s Bay Power Station, which are all operated by CLP Power.

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