

10 January 2025

## **CLP Power HK Finance Ltd. Issues US\$500 Million 5.45% Perpetual Capital Securities**

CLP Power Hong Kong Limited (CLP Power) announced that its wholly-owned subsidiary, CLP Power HK Finance Ltd. has successfully completed the issuance of US\$500 million of 5.45% non-call 5.25-year perpetual capital securities (the securities). The securities are rated A3 and A- by Moody's and Standard & Poor's (S&P) respectively, and will be listed on the Stock Exchange of Hong Kong. Proceeds from the securities will be used to redeem CLP Power HK Finance Ltd.'s outstanding US\$500 million perpetual subordinated guaranteed capital securities issued on 6 November 2019.

The transaction represents the third issuance of US dollar-denominated hybrid capital securities by subsidiaries of CLP Power, and extends CLP Power's presence among the highest investment grade corporate issuers in Asia for hybrid transactions. The securities are unconditionally and irrevocably guaranteed by CLP Power, rated A1 and A+ by Moody's and S&P respectively.

The securities have been priced competitively with a coupon of 5.45% payable semi-annually in arrears. They are perpetual and non-callable in the first 5.25 years (with issuer call option at par at any time in the three 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 7 times over-subscribed with more than US\$ 3.5 billion in orders from global investors. Global fund managers and asset management firms were allocated 46% of the offering, with 35% going to public sector funds. The remainder was allocated to insurance companies, pension funds, banks, private banks and other investors.

The securities enable CLP Power to further strengthen its credit profile and diversify sources of funding, underlining its dedication to maintaining strong investment-grade credit ratings. The overwhelming market response to the transaction underscored the confidence of international investors in CLP Power as the business provides a reliable,

reasonably priced and environmentally sustainable electricity supply in support of Hong Kong's continued growth and development.

The Joint Bookrunners and Joint Lead Managers are ANZ<sup>1</sup>, Crédit Agricole CIB<sup>2</sup>, HSBC, MUFG and Standard Chartered Bank.

1. Australia and New Zealand Banking Group Limited is incorporated in Australia with limited liability.
2. Incorporated in France with members' limited liability.

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**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 more than six million people in its supply area.

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