

---

**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 a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **DATANG INTERNATIONAL POWER GENERATION CO., LTD.**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**大唐国际发电股份有限公司**  
**DATANG INTERNATIONAL POWER GENERATION CO., LTD.**

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*  
(Stock Code: 00991)

**DISCLOSEABLE TRANSACTIONS**  
**AND**  
**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**  
**2022 FINANCIAL BUSINESS COOPERATION AGREEMENT**

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

**TRINITY**  
**Trinity Corporate Finance Limited**

---

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 4 to 15 of this circular. A letter from the Independent Board Committee is set out on pages 16 to 17 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 33 of this circular.

28 July 2022

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	16
<b>LETTER FROM TRINITY CORPORATE FINANCE LIMITED</b> .....	18
<b>APPENDIX – GENERAL INFORMATION</b> .....	34

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2019 Financial Business Cooperation Agreement”	the financial business cooperation agreement entered into between the Company and Datang Leasing Company on 25 July 2019
“2022 Financial Business Cooperation Agreement”	the financial business cooperation agreement entered into between the Company and Datang Leasing Company on 16 June 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CDC”	China Datang Corporation Ltd. (中國大唐集團有限公司), a wholly state-owned company established under the laws of the PRC, whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and is a controlling shareholder of the Company. For details, please refer to the section headed “INFORMATION OF THE PARTIES TO THE AGREEMENT” of this circular
“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H shares are listed on the Stock Exchange and the London Stock Exchange and whose A shares are listed on the Shanghai Stock Exchange. For details, please refer to the section headed “INFORMATION OF THE PARTIES TO THE AGREEMENT” of this circular
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Datang Leasing Company”	Datang Finance Leasing Company Limited (大唐融資租賃有限公司), a company established under the laws of the PRC and a subsidiary of CDC. For details, please refer to the section headed “INFORMATION OF THE PARTIES TO THE AGREEMENT” of this circular
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, to approve, among others, the 2022 Financial Business Cooperation Agreement

---

## DEFINITIONS

---

“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors, namely Mr. Liu Jizhen, Mr. Niu Dongxiao, Mr. Zong Wenlong, Mr. Si Fengqi and Mr. Zhao Yi, which has been formed to advise the Independent Shareholders on the terms of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Trinity Corporate Finance Limited”	Trinity Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than CDC and its associates as well as any other Shareholder who has a material interest in the transactions contemplated under the 2022 Financial Business Cooperation Agreement
“Latest Practicable Date”	27 July 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
“PRC”	the People’s Republic of China
“Previous Transactions”	collectively, (i) the transactions contemplated under the factoring business cooperation agreement entered into between the Company and Datang Commercial Factoring Company Limited on 21 May 2020, details of which were disclosed in the announcement of the Company dated 21 May 2020 and the circular dated 5 June 2020; and (ii) the transactions contemplated under the leasing and factoring business cooperation agreement entered into between the Company and Shanghai Datang Financial Lease Co., Ltd. on 16 December 2021, details of which were disclosed in the announcement dated 16 December 2021 and the circular of the Company dated 10 January 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company

---

## DEFINITIONS

---

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

---

LETTER FROM THE BOARD

---



大唐国际发电股份有限公司  
DATANG INTERNATIONAL POWER GENERATION CO., LTD.

(a sino-foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00991)

*Executive Director:*

Mr. Liang Yongpan (*Chairman, General Manager*)

*Non-executive Directors:*

Mr. Ying Xuejun

Mr. Xiao Zheng

Mr. Su Min

Mr. Liu Jianlong

Mr. Zhu Shaowen

Mr. Cao Xin

Mr. Zhao Xianguo

Mr. Jin Shengxiang

Mr. Sun Yongxing

*Office address:*

No. 9 Guangningbo Street

Xicheng District

Beijing, 100033

the PRC

*Principal place of business in Hong Kong:*

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

*Independent non-executive Directors:*

Mr. Liu Jizhen

Mr. Niu Dongxiao

Mr. Zong Wenlong

Mr. Si Fengqi

Mr. Zhao Yi

28 July 2022

*To the Shareholders*

*Dear Sir or Madam,*

**DISCLOSEABLE TRANSACTIONS  
AND  
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
2022 FINANCIAL BUSINESS COOPERATION AGREEMENT**

Reference is made to the announcement of the Company dated 16 June 2022 in relation to the 2022 Financial Business Cooperation Agreement.

---

## LETTER FROM THE BOARD

---

The purposes of this circular are to, among others, (i) provide you with details of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder; (ii) set out the recommendation of the Independent Board Committee in respect of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder and (iii) set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder.

### **2022 FINANCIAL BUSINESS COOPERATION AGREEMENT**

#### **Date**

16 June 2022

#### **Parties**

- (i) The Company; and
- (ii) Datang Leasing Company, a subsidiary of CDC

#### **Subject matter**

Pursuant to the 2022 Financial Business Cooperation Agreement, Datang Leasing Company shall provide financial business support (including but not limited to financial leasing<sup>1</sup> and account receivable factoring) and others to the Company and its subsidiaries for an aggregate amount of not exceeding RMB7 billion for every 12 months from the effective date of the 2022 Financial Business Cooperation Agreement.

The parties may, during the term of the agreement, enter into specific contracts in accordance with the terms of the 2022 Financial Business Cooperation Agreement, and such specific contracts shall be subject to the terms of the 2022 Financial Business Cooperation Agreement.

#### **Term of the agreement**

A term of 36 months, from 1 September 2022 to 31 August 2025.

#### **Major terms of the agreement**

- (1) In accordance with the business principles of a financial leasing company and subject to compliance with the state policy and the relevant laws and regulations of the PRC, Datang Leasing Company shall provide financial business support, including but not limited to financial leasing and account receivable factoring, to the Company and its subsidiaries in respect of key investment and construction projects of the Company and its subsidiaries in

<sup>1</sup> The financial leasing methods to be provided by the lessors comprise sale and lease-back and the direct lease. In particular: sale and lease-back means that the lessors shall purchase the leased properties from the lessees based on the lessees' choice and lease them back to the lessees; and direct lease refers to the purchase by the lessors and the provision of the leased properties to the lessees as per the specifications and requirements of the lessees.

---

## LETTER FROM THE BOARD

---

sectors such as thermal power, hydropower, wind power, photovoltaic, recycling economy, power source, grid, load and energy storage and other integrated energy services for an aggregate amount of not exceeding RMB7 billion for every 12 months from the effective date of the 2022 Financial Business Cooperation Agreement.

- (2) Leveraging on its professional advantage in the financial business, Datang Leasing Company shall provide the Company and its subsidiaries with various economic consulting services, such as investment and financing consulting, financial advisory, financial leasing consulting, and product design and transaction arrangements for account receivable factoring.
- (3) Datang Leasing Company shall, upon thorough negotiations with the Company and its subsidiaries, within the scope of the business development and planning of the Company and its subsidiaries, select appropriate lessees and projects and shall design and offer customised leasing and factoring business proposals.

### **Effective date of the agreement**

The agreement shall become effective when it is duly signed by the parties and affixed with their respective company seals and upon the approval by the Independent Shareholders at the general meeting of the Company.

### **Pricing policy**

Datang Leasing Company shall provide the Company with the most favourable rates for leasing fees, taking into account the relevant state policies and regulations, the supply of and demand for capital in the market as well as the structural features of different leasing and factoring products. The general fee rates shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC. Datang Leasing Company shall help the Company and its subsidiaries to reduce the finance costs and optimise the financial structure while ensuring that the construction capital needs of the Company and its subsidiaries are met.

Prior to business cooperation with Datang Leasing Company, the Company shall collect information about the terms of the relevant transactions and their respective interest rates from other major domestic leasing companies that are independent of the Company and its connected persons, and compare them with the benchmark interest rate on term loans issued by the People's Bank of China to ensure that the Company receives the most favourable terms, the general rates for leasing fees of the relevant transactions shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC, and strive for the maximisation of the Company's overall interests.

In respect of financial leasing involving sale and lease-back, the sales price of the leased properties shall be determined between the lessees (i.e. the Company and its subsidiaries) and the lessor (i.e. Datang Leasing Company) after arm's length negotiation, with reference to the net carrying value of the leased properties and after comparing the prices of the same type of financial leasing products of the lessor and other major domestic leasing companies that are independent of the Company and its connected persons in the market.

---

## LETTER FROM THE BOARD

---

### Implication of IFRS 16 (Leases) on the finance leasing arrangement of the Company

The Company adopted, among others, the International Financial Reporting Standards (“IFRS”) 16 (Leases) in its consolidated statement of financial position in connection with leases and finance leases with effect from the beginning of its accounting period on 1 January 2019.

Pursuant to the IFRS 16 (Leases), the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the implicit interest rate in the lease is not readily determinable.

Accordingly, under the IFRS 16 (Leases), the Company will recognise the leased assets of relevant direct lease(s) which represents the right of the Company to use the leased assets (except short-term leases and low-value leases), subject to the specific lease terms and conditions as set out in each of lease agreements. For the sale and lease-back, the relevant transactions will be accounted for as a finance leasing arrangement between the Company and the lessors.

### Annual caps

Pursuant to the Listing Rules, the direct lease is deemed as an acquisition of assets by the Company and its subsidiaries, while the sale and lease-back constitutes a sale of assets by the Company and its subsidiaries. The Company expects that the annual caps of the proposed transactions under the 2022 Financial Business Cooperation Agreement are as below:

	<b>From 1 September 2022 to 31 December 2022</b>	<b>From 1 January 2023 to 31 December 2023</b>	<b>From 1 January 2024 to 31 December 2024</b>	<b>From 1 January 2025 to 31 August 2025</b>
Direct lease	RMB2 billion	RMB4.5 billion	RMB4.5 billion	RMB2.5 billion
Sale and lease-back	RMB0.8 billion	RMB2 billion	RMB2 billion	RMB1.2 billion
Factoring business	RMB0.2 billion	RMB0.5 billion	RMB0.5 billion	RMB0.3 billion

In respect of financial leasing (including direct lease and sale and lease-back), the proposed annual caps are determined with reference to the following general factors:

- (i) the Company’s financing plan, which is derived from the expected capital needs of the Company for the next 36 months. After principally considering that the Company’s loans with a total amount of approximately RMB80 billion to RMB100 billion are expected to mature between 2022 and 2024, the principal of financial leasing will be used to replace part of the existing maturing loans and for fulfilling part of the future capital needs for construction of

---

## LETTER FROM THE BOARD

---

existing projects. These projects (including but not limited to Datang Tuodian New Energy Bundled Delivery Project (大唐托電新能源打捆外送項目) and Baoding Phase IX Heat and Power Project (保定九期熱電項目)<sup>1</sup>) have been approved by the Board;

- (ii) the increase in business scale and the development plan of the Company. The Company fulfilled the requirements of the “dual carbon” goals, accelerated the structural adjustment, and achieved a good start in the green transformation of the “14th Five-Year Plan”. In 2021, the capacity of new units put into operation of the Company totaled 774.15MW, including 446.05MW for wind power projects and 328.10MW for photovoltaic projects. A total of 85 power generation projects obtained approval in 2021, with approved capacity of 7,367.16MW. Among them, there are six wind power projects with approved capacity of 1,862MW, 78 photovoltaic projects with approved capacity of 4,585.16MW, and one thermal power and gas turbine project with approved capacity of 920MW. Tuoketuo Power and Yuxian base projects totaled 3,000MW, and obtained the approval for the first batch of large-scale wind power and photovoltaic bases in the PRC. The Company achieved layout optimization and breakthrough progress of the new energy industry in Guangdong, Anhui, Jiangxi, Tianjin and other regions, and the transformation and development of the Company have been greatly improved in quality and speed.

In view of the above, in order to reduce the burden of projects’ funding, improve financing efficiency and further optimize the Company’s financial structure, the Company needs corresponding financial leasing (including direct lease and sale and lease-back) quotas to meet the demand for financial leasing brought about by the growth of the Company’s business scale;

- (iii) current financing market condition. At present, the monetary policy of the PRC is relatively loose, and the cost of financial leasing has decreased. In particular, the cost of financial leasing provided by Datang Leasing Company to the Company and its subsidiaries has been further reduced, which further enhances its bargaining power and market share;
- (iv) the nature, carrying value and expected useful life of the leased assets. The carrying value of the leased assets shall not be less than the principal amount of the financial leasing in any case;
- (v) Datang Leasing Company’s capability and flexibility of provision of financial leasing service to the Company and its subsidiaries; and
- (vi) a relatively low historical utilization rate (please refer to the section headed “Historical transactions” in this circular for details). The relatively low historical utilization rate is mainly due to the fact that the Company and its subsidiaries have chosen to obtain financing from other independent third-party financing channels that offer lower financing costs or more favorable terms compared with Datang Leasing Company during the relevant historical periods.

Furthermore, the respective proposed annual caps of direct lease and sale and lease-back are also determined after considering the following specific factors:

<sup>1</sup> The total investment amount of Datang Tuodian New Energy Bundled Delivery Project and Baoding Phase IX Heat and Power Project is approximately RMB12 billion and RMB2.9 billion, respectively.

---

## LETTER FROM THE BOARD

---

In respect of direct lease: during the period of “14th Five Year Plan”, the Company promotes the green and low-carbon energy transformation, speeds up the construction of large-scale wind power, photovoltaic power and other clean energy integrated base projects, and proactively invests in offshore wind power projects. In 2022 alone, it is expected that the Company will invest approximately RMB24 billion of capital funds in the Tuoketuo Power base project, Yuxian base project, Alxa Left Banner wind power project and Nan’ao offshore wind power project, of which approximately RMB5 billion to RMB7 billion of capital expenditure is planned to be carried out under direct leasing, and the investment is expected to increase in the next few years. In addition to wind power, photovoltaic and other new energy projects, the Company also has a large capital demand for new and expanded thermal power projects in the next few years, and the Company plans to take direct leasing as one of the important financing methods.

In respect of sale and lease-back: considering that the operation of thermal power enterprises is under great pressure at present due to the constant higher coal prices, the sale and lease-back shall provide an important financing channel for thermal power enterprises that have difficulties in external financing. From the perspective of historical transactions, the sale and lease-back business between the Company and Datang Leasing Company had an average annual turnover of approximately RMB1 billion. In addition, the Company’s high-interest-rate loans of approximately RMB1 billion to RMB1.5 billion each year will gradually mature in the next three years. The Company plans to replace the Company’s existing high-interest-rate loans through sale and lease-back business to be provided by Datang Leasing Company.

In view of the relatively low historical utilization rate, as well as taking into account the possible reduction in the cost of financing to be provided by Datang Leasing Company in the future and other factors mentioned above, the Company has reduced the proposed annual cap of financial leasing (including direct lease and sale and lease-back) accordingly to RMB6.5 billion to meet the increasing demand for financial leasing in the next 36 months.

In respect of factoring business, the proposed annual caps are determined with reference to the following factors:

- (i) it is anticipated that the total account receivables and account payables of the Company and its subsidiaries will exceed RMB30 billion every year for the period between 2022 to 2025. As of the end of June 2022, the account receivables of the Company and its subsidiaries amounted to RMB17.582 billion, of which account receivables of sales of electricity was RMB14.94 billion and account receivables of sales of thermal power was RMB791 million;
- (ii) the increase in business scale and the development plan of the Company (please refer to the above item (ii) under the general factors for determining proposed annual caps of financial leasing for details). In view of this, considering the historical electricity and thermal power tariff receivables as well as the demand on cash flow of the Company and its subsidiaries, the Company needs corresponding factoring business quotas to meet the factoring needs brought about by the growth of the Company’s business scale;
- (iii) Datang Leasing Company’s capability and flexibility of provision of factoring business service to the Company and its subsidiaries; and

---

## LETTER FROM THE BOARD

---

- (iv) a relatively low historical utilization rate (please refer to the section headed “Historical transactions” in this circular for details). The relatively low historical utilization rate is mainly due to the fact that the Company and its subsidiaries have chosen to obtain financing from other independent third-party financing channels that offer lower financing costs or more favorable terms compared with Datang Leasing Company during the relevant historical periods.

In view of the relatively low historical utilization rate, as well as taking into account the possible reduction in the cost of financing to be provided by Datang Leasing Company in the future and other factors mentioned above, the Company has reduced the proposed annual cap of factoring business accordingly to RMB0.5 billion to meet the increasing demand for factoring business in the next 36 months.

After considering that lease financing is one of the important financing alternatives under the general debt financing condition and taxation arrangements in the PRC, and the Company is a key customer and long-term business partner of Datang Leasing Company, for providing more convenient, effective and efficient financial leasing as well as factoring products design services to the Company when compared to other financial leasing companies, the Board considers that such annual caps and their determination basis are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

### Historical transactions

Before the adoption of IFRS 16 (Leases), the historical transaction amounts of financial leasing and factoring businesses between the Company and Datang Leasing Company under the 2019 Financial Business Cooperation Agreement for the four months ended 31 December 2019, the two years ended 31 December 2021 and the eight months ending 31 August 2022 are as below:

	<b>From 1 September 2019 to 31 December 2019</b>	<b>From 1 January 2020 to 31 December 2020</b>	<b>From 1 January 2021 to 31 December 2021</b>	<b>From 1 January 2022 to 31 August 2022 <i>(Note)</i></b>
Historical transaction amounts	RMB0.2 billion	RMB1.075 billion	RMB1.794 billion	RMB2 billion <i>(Note)</i>
Annual caps	RMB3 billion	RMB10 billion	RMB10 billion	RMB7 billion

*Note:* As the figures in respect of the transaction amount for the eight months ending 31 August 2022 are not yet available, the above figure is an estimate only. The historical transaction amount for the three months ended 31 March 2022 was RMB137 million. The Company confirms that the relevant transaction amount for the eight months ending 31 August 2022 will not exceed the annual cap.

Assuming calculations were made in accordance with IFRS 16 (Leases), the historical transaction amounts of financial leasing and factoring businesses between the Company and Datang Leasing Company for the four months ended 31 December 2019, the two years ended 31 December 2020 and the three months ended 31 March 2022 are set out as follows:

---

## LETTER FROM THE BOARD

---

	<b>From 1 September 2019 to 31 December 2019</b>	<b>From 1 January 2020 to 31 December 2020</b>	<b>From 1 January 2021 to 31 December 2021</b>	<b>From 1 January 2022 to 31 March 2022</b>
Direct lease	RMB100 million	RMB368 million	RMB439 million	RMB78 million
Sale and lease-back	RMB100 million	RMB707 million	RMB1,355 million	RMB59 million
Factoring business	RMB0 million	RMB0 million	RMB0 million	RMB0 million

### REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 FINANCIAL BUSINESS COOPERATION AGREEMENT

In recent years, the cooperation with Datang Leasing Company has become an important financing method for the Company and its subsidiaries.

Through entering into the 2022 Financial Business Cooperation Agreement, the Company is able to obtain financial support and relevant financing services at an interest rate equivalent to or lower than the market rate of the same industry, which allows the Company to further reduce its overall capital costs; the gradual expansion of the financial leasing businesses between Datang Leasing Company and the Company and its subsidiaries, which will further enhance the bargaining power of the Company and its subsidiaries with other leasing companies when conducting financial leasing businesses.

At the same time, Datang Leasing Company would be able to develop a deeper understanding in the operation of the Company and its subsidiaries, which in turn would be able to provide more convenient, effective and efficient financial leasing as well as factoring products design services for the Company and its subsidiaries when compared to those services provided by other financial leasing companies.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the 2022 Financial Business Cooperation Agreement are fair and reasonable, have been entered into after arm's length negotiations and determined on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

### INTERNAL CONTROL

#### Internal Control Policy to Monitor Connected Transactions

According to the requirements of management system of the connected transactions of the Company, the finance management department of the Company is responsible for tracking and monitoring the implementation of connected transactions within the scope of business management. During this process, the financial management department of the Company is responsible for information collection and price monitoring of connected transactions, and evaluate the fairness and reasonableness of transaction terms (including pricing terms) by collecting and analyzing relevant market data (including at least the transaction terms of two independent third parties providing the same or similar services), to ensure that the relevant terms are entered into on normal commercial terms, are no less favourable than those provided by

---

## LETTER FROM THE BOARD

---

independent third parties, and are consistent with the above pricing principles; and is responsible for monitoring the transaction amounts relating to the proposed annual caps under the 2022 Financial Business Cooperation Agreement by developing management accounts for continuing connected transactions, designating specialists for management and maintenance, and consolidating and preparing statistics for the transaction amounts incurred in the continuing connected transactions on a monthly basis. The Company will re-comply with the necessary approval procedures in accordance with the Listing Rules in respect of continuing connected transactions that are expected to exceed their annual caps.

### **Re-complying with the Listing Rules in respect of Revision of Annual Caps**

If it is anticipated that any of the annual caps under the 2022 Financial Business Cooperation Agreement will be exceeded during the term of the 2022 Financial Business Cooperation Agreement, the Company will re-comply with the applicable compliance obligations at applicable percentage ratios under Chapter 14A of the Listing Rules based on revised annual caps under the 2022 Financial Business Cooperation Agreement.

### **Annual Review of Continuing Connected Transactions by External Auditors**

The external auditors of the Company will issue a letter to the Board regarding the continuing connected transactions of the Company annually pursuant to the Listing Rules, reporting the Company's pricing policies and annual caps of continuing connected transactions conducted during the previous financial year (including the transactions contemplated under the 2022 Financial Business Cooperation Agreement).

### **Annual Review of Continuing Connected Transactions by Independent Non-executive Directors**

The independent non-executive Directors of the Company will conduct an annual review on the continuing connected transactions conducted by the Company during the entire previous financial year in accordance with the requirements of the Listing Rules, and confirm the transaction amount and terms of the continuing connected transactions in the Company's annual report, and make sure that these transactions are entered into on normal commercial terms, are fair and reasonable, and are conducted in accordance with the relevant terms of the agreement governing continuing connected transactions.

## **APPROVAL OF THE BOARD**

The thirty-first meeting of the tenth session of the Board has considered and approved the "Resolution on the Entering into of Financial Business Cooperation Agreement with Datang Finance Leasing Company Limited", details of which were set out in the overseas regulatory announcement of the Company dated 27 May 2022.

None of the Directors has any material interest in the 2022 Financial Business Cooperation Agreement. Mr. Ying Xuejun, Mr. Su Min and Mr. Liu Jianlong, the connected Directors, have abstained from voting on the relevant resolution in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

---

## LETTER FROM THE BOARD

---

### INFORMATION OF THE PARTIES TO THE AGREEMENT

1. The Company was established in December 1994 and is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power related technical services. The Company's main service areas are in the PRC.
2. CDC was established on 9 March 2003 with registered capital of RMB37 billion. It is principally engaged in the development, investment, construction, operation and management of power energy; organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as self-operated and commissioned import and export business for commodities and technologies.
3. Datang Leasing Company was established in the PRC on 28 November 2012 and is an indirect subsidiary of CDC with a registered capital of RMB2.5 billion. Datang Leasing Company is held by the Company and other subsidiaries of CDC as to 20% and 80%, respectively. The scope of principal business of Datang Leasing Company includes financial leasing business, leasing business, acquisition of leased properties from overseas, treatment and maintenance of residual value of leased properties, consulting of lease transactions, and factoring business relating to its principal business.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CDC together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company. Since Datang Leasing Company is a subsidiary of CDC, Datang Leasing Company is a connected person of the Company. Accordingly, the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the 2022 Financial Business Cooperation Agreement should be aggregated with the Previous Transactions and treated as if they were one transaction.

Since the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the categories of direct lease and sale and lease-back contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, are more than 5%, such transactions are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the categories of direct lease and sale and lease-back contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in

---

## LETTER FROM THE BOARD

---

the Previous Transactions, are more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the category of factoring business contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, is more than 5%, such transactions are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the category of factoring business contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, is more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **EGM**

The Company will convene the EGM to consider and approve, among others, the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transactions and its associates will abstain from voting at the EGM to be held by the Company for (among others) considering and approving the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder. Therefore, CDC and its associates, which hold 9,825,068,940 shares of the Company as at the Latest Practicable Date, representing approximately 53.09% of the issued share capital of the Company, shall abstain from voting at the EGM for approving the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, apart from CDC and its associates, no other Shareholders have material interest in the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder and shall abstain from voting at the resolution(s) in relation to the approval of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder at the EGM.

### **RECOMMENDATION**

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 16 to 17 of this circular which contains its recommendation to the Independent Shareholders on the terms of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder. Your attention is also drawn to the letter of advice received from Trinity Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 18 to 33 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder, the casting of votes for or against the

---

## LETTER FROM THE BOARD

---

resolution(s) approving the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder as well as the principal factors and reasons considered by it in concluding its advice.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions under the 2022 Financial Business Cooperation Agreement are fair and reasonable, have been entered into after arm's-length negotiation between all parties thereto, are on normal commercial terms and in the ordinary and usual course of business of the Company, and are in the interests of the Company and its Shareholders as a whole, and they recommend the Shareholders to vote in favour of the resolution(s) at the EGM.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board of  
**Datang International Power Generation Co., Ltd.**  
**Jiang Jinming**  
*Company Secretary*

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---



# 大唐国际发电股份有限公司

## DATANG INTERNATIONAL POWER GENERATION CO., LTD.

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 00991)**

*Office address*

No.9 Guangningbo Street  
Xicheng District  
Beijing, 100033  
The PRC

28 July 2022

*To the Independent Shareholders*

Dear Sir or Madam,

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular issued by the Company to the Shareholders dated 28 July 2022 (the “Circular”) of which this letter forms part. Terms defined in the circular shall have the same meanings in this letter unless the context otherwise requires.

Under the Listing Rules, the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

We have been appointed as the Independent Board Committee to consider the terms of the transactions contemplated under the 2022 Financial Business Cooperation Agreement and its proposed annual caps and to advise the Independent Shareholders in connection with the transactions contemplated under the 2022 Financial Business Cooperation Agreement and its proposed annual caps, in our opinion, whether the transactions contemplated under the 2022 Financial Business Cooperation Agreement and its proposed annual caps are conducted on normal commercial terms in the ordinary and usual course of business of the Company and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from Trinity Corporate Finance Limited as set out in this circular. Having considered the principal factors and reasons considered by, and the advice of Trinity Corporate Finance Limited as set out in its letter of advice, we are of the view that the transactions contemplated under the 2022 Financial Business Cooperation Agreement and its proposed annual caps are conducted on normal commercial terms in the ordinary and usual course of business of the Company and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

**Liu Jizhen, Niu Dongxiao,**

**Zong Wenlong, Si Fengqi and Zhao Yi**

*Independent non-executive Directors*

**Datang International Power Generation Co., Ltd.**

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

*The following is the full text of letter from Trinity Corporate Finance Limited, the Independent Financial Adviser, to the Independent Board Committee and Independent Shareholders in respect of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*

# TRINITY

**Trinity Corporate Finance Limited**

Unit 05, 29/F,  
50 Wong Chuk Hang Road,  
Hong Kong.

28 July 2022

*To the Independent Board Committee and the Independent Shareholders of*

*Datang International Power Generation Co., Ltd.*

Dear Sirs,

### **DISCLOSEABLE TRANSACTIONS AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS 2022 FINANCIAL BUSINESS COOPERATION AGREEMENT**

#### **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 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder, details of which are set out in the Letter from the Board (the “**Letter from the Board**”) in the Company’s circular dated 28 July 2022 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 16 June 2022, the Company entered into the 2022 Financial Business Cooperation Agreement with Datang Leasing Company, pursuant to which Datang Leasing Company shall provide financial business support (including but not limited to financial leasing and account receivable factoring) and others to the Company and its subsidiaries for an aggregate amount of not exceeding RMB7 billion for every 12 months from the effective date of the 2022 Financial Business Cooperation Agreement. The term of the agreement is 36 months from 1 September 2022 to 31 August 2025.

As at the Latest Practicable Date, CDC together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company. Since Datang Leasing Company is a subsidiary of CDC, Datang Leasing Company is a connected person of the Company and the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the 2022 Financial Business Cooperation Agreement should be aggregated with the Previous Transactions and treated as if they were one transaction.

Since the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the categories of direct lease and sale and lease-back contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, are more than 5%, such transactions are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the categories of direct lease and sale and lease-back contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, are more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the category of factoring business contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, is more than 5%, such transactions are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the category of factoring business contemplated under the 2022 Financial Business Cooperation Agreement, when aggregated with the same type of transactions in the Previous Transactions, is more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company will convene the EGM to consider and approve, among others, the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transaction and its associates will abstain from voting at the EGM to be held by the Company for (among others) considering and approving the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder. Therefore, CDC and its associates, which hold 9,825,068,940 shares of the Company as at the Latest Practicable Date, representing approximately 53.09% of the issued share capital of the Company, shall abstain from voting at the EGM for approving the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, apart from CDC and its associates, no other Shareholders have material interest in the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder and shall abstain from voting at the resolution(s) in relation to the approval of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder at the EGM.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Jizhen, Mr. Niu Dongxiao, Mr. Zong Wenlong, Mr. Si Fengqi and Mr. Zhao Yi, has been formed to advise the Independent Shareholders on the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

As at the Latest Practicable Date, Trinity Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Trinity Corporate Finance Limited. In the last two years, Trinity Corporate Finance Limited has acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in connection with the discloseable transactions and continuing connected transactions in relation to 2020 factoring business cooperation agreement (details of which were set out in the circular of the Company dated 5 June 2020), the revision of annual caps of continuing connected transactions (details of which were set out in the circular of the Company dated 30 October 2020), the continuing connected transactions in relation to 2021 comprehensive product and service framework agreement (details of which were set out in the circular of the Company dated 3 December 2021) and the discloseable transactions and the continuing connected transactions in relation to the 2021 Leasing and Factoring Business Cooperation Agreement (details of which were set out in the circular of the Company dated 10 January 2022). Apart from normal professional fees paid or payable to us in connection with such appointments, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions, therefore we consider such relationship would not affect our independence.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date and should there be any material changes to our opinion after the despatch of the Circular and up to the date of the EGM, Shareholders would be notified as soon as practicable.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

We have not conducted any independent in-depth investigation into the business and affairs of the Group or any parties involved in the transactions contemplated under the 2022 Financial Business Cooperation Agreement. In forming our opinion, we consider that we have independently reviewed sufficient information, inter alia, the 2021 annual report of the Company, the historical transaction amounts, the Letter from the Board and samples as disclosed in this letter, to provide a reasonable basis for our opinion.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the 2022 Financial Business Cooperation Agreement and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes other than our role as the Independent Financial Adviser, without our prior written consent.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the 2022 Financial Business Cooperation Agreement, we have taken into account the following principal factors and reasons:

#### A. Background of the Company

The Company was established in December 1994 and is primarily engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power-related technical services, with its main service areas located in the PRC.

As at 31 December 2021, the total assets of the Company amounted to approximately RMB296.10 billion. Total installed capacity under management of the Company amounted to 68,770.03MW.

#### B. Financial Performance of the Company

The following table is a summary of the consolidated statement of profit or loss of the Group for the three years ended 31 December 2019, 2020 and 2021 respectively, as extracted from the respective annual reports of the Company.

(In millions of RMB)	For the year ended 31 December 2019 (audited)	For the year ended 31 December 2020 (audited)	For the year ended 31 December 2021 (audited)
Operating Revenue	95,453	95,614	103,412
(Loss)/profit before tax	4,619	7,144	(11,244)
(Loss)/profit for the year attributable to owners of the Company	391	1,830	(10,707)

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

During the year ended 31 December 2021, the Group realized operating revenue of approximately RMB103,412 million, representing an increase of approximately 8.16% compared with the previous year, which was mainly attributable to the year-on-year increase of 7.76% in operating revenue from power generation segment. Total operating costs of the Group amounted to approximately RMB111,142 million, representing an increase of approximately RMB26,402 million or approximately 31.16% compared with the previous year, which was mainly attributable to the rise in coal prices. The Group reported a total loss before tax from continuing operations amounting to approximately RMB11,244 million, representing a year-on-year decrease of approximately 257.39% compared with the previous year. Net loss attributable to equity holders of the Company amounted to approximately RMB9,269 million, while net profit attributable to equity holders of the Company for the year of 2020 amounted to approximately RMB2,989 million. Power generation segment of the Company realized a total loss before tax from continuing operations of approximately RMB12,719 million, representing a year-on-year decrease of approximately RMB20,078 million.

As of 31 December 2021, total assets of the Group amounted to approximately RMB296,100 million, representing an increase of approximately RMB15,628 million over the end of the previous year. The increase in total assets was mainly due to the increase in inventories, prepayments to suppliers and prepayments for properties, plant and equipment. Total liabilities of the Group amounted to approximately RMB219,825 million, representing an increase of approximately RMB30,863 million compared with the end of the previous year. The increase in total liabilities was mainly due to the increase in the principal of the loan.

As at 31 December 2021, the debt ratio of the Group was approximately 74.24%. The net debt-to-equity ratio (i.e. (loans + short-term financing bonds + long-term bonds – cash and cash equivalents)/owner's equity) was approximately 207.30%. As at 31 December 2021, cash and cash equivalents of the Group amounted to approximately RMB11,258 million, among which deposits that were equivalent to approximately RMB108 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year. As at 31 December 2021, short-term loans of the Group amounted to approximately RMB39,277 million, bearing annual interest rates ranging from 1.38% to 5.20%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB102,616 million and long-term loans repayable within one year amounted to approximately RMB11,770 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.20% to 5.39%.

### **C. Principal Terms of the 2022 Financial Business Cooperation Agreement**

As mentioned in the Letter from the Board, on 16 June 2022, the Company entered into the 2022 Financial Business Cooperation Agreement with Datang Leasing Company.

Datang Leasing Company was established in the PRC on 28 November 2012 and is an indirect subsidiary of CDC with a registered capital of RMB2.5 billion. Datang Leasing Company is held by the Company and the subsidiaries of CDC as to 20% and 80%, respectively. The scope of principal business of Datang Leasing Company includes financial leasing business, leasing business, acquisition of leased properties from overseas, treatment and maintenance of residual value of leased properties, consulting of lease transactions, and factoring business relating to its principal business.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

CDC was established on 9 March 2003 with a registered capital of RMB37 billion. It is principally engaged in the development, investment, construction, operation and management of power energy; organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as self-operated and commissioned import and export business for commodities and technologies.

**(1) Subject matter:**

Pursuant to the 2022 Financial Business Cooperation Agreement, Datang Leasing Company shall provide financial business support (including but not limited to financial leasing and account receivable factoring) and others to the Company and its subsidiaries for an aggregate amount of not exceeding RMB7 billion for every 12 months from the effective date of the 2022 Financial Business Cooperation Agreement.

The financial leasing methods to be provided by the lessors comprise sale and lease-back and the direct lease. In particular, sale and lease-back means that the lessors shall purchase the leased properties from the lessees based on the lessees' choice and lease them back to the lessees; and direct lease refers to the purchase by the lessors and the provision of the leased properties to the lessees as per the specifications and requirements of the lessees.

The parties may, during the term of the agreement, enter into specific contracts in accordance with the terms of the 2022 Financial Business Cooperation Agreement, and such specific contracts shall be subject to the terms of the 2022 Financial Business Cooperation Agreement.

**(2) Term and effective date of the agreement:**

The 2022 Financial Business Cooperation Agreement has a term of 36 months, commencing from 1 September 2022 to 31 August 2025. The agreement shall become effective when it is duly signed by the parties and affixed with their respective company seals and upon the approval by the Independent Shareholders at the general meeting of the Company.

**(3) Major terms of the agreement:**

- (i) In accordance with the business principles of a financial leasing company and subject to compliance with the state policy and the relevant laws and regulations of the PRC, Datang Leasing Company shall provide financial business support, including but not limited to financial leasing and account receivable factoring, to the Company and its subsidiaries in respect of key investment and construction projects of the Company and its subsidiaries in sectors such as thermal power, hydropower, wind power, photovoltaic, recycling economy, power source, grid, load and energy storage and other integrated energy services for an aggregate amount of not exceeding RMB7 billion for every 12 months from the effective date of the 2022 Financial Business Cooperation Agreement.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

- (ii) Leveraging on its professional advantage in the financial business, Datang Leasing Company shall provide the Company and its subsidiaries with various economic consulting services, such as investment and financing consulting, financial advisory, financial leasing consulting, and product design and transaction arrangements for account receivable factoring.
- (iii) Datang Leasing Company shall, upon thorough negotiations with the Company and its subsidiaries, within the scope of the business development and planning of the Company and its subsidiaries, select appropriate lessees and projects and shall design and offer customised leasing and factoring business proposals.

**(4) *Pricing policy and internal control measures:***

- (i) Datang Leasing Company shall provide the Company with the most favourable rates for leasing fees, taking into account the relevant state policies and regulations, the supply of and demand for capital in the market as well as the structural features of different leasing and factoring products. The general fee rates shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC. Datang Leasing Company shall help the Company and its subsidiaries to reduce the finance costs and optimise the financial structure while ensuring that the capital needs of the Company and its subsidiaries are met.
- (ii) Prior to business cooperation with Datang Leasing Company, the Company shall collect information about the terms of the relevant transactions and their respective interest rates from other major domestic leasing companies that are independent of the Company and its connected persons, and compare them with the benchmark interest rate on term loans issued by the People's Bank of China to ensure that the Company receives the most favourable terms, the general rates for leasing fees of the relevant transactions shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC, and strive for the maximisation of the Company's overall interests.
- (iii) In respect of financial leasing involving sale and lease-back, the sales price of the leased properties shall be determined between the lessees (i.e. the Company and its subsidiaries) and the lessor (i.e. Datang Leasing Company) after arm's length negotiation, with reference to the net carrying value of the leased properties and after comparing the prices of the same type of financial leasing products of the lessor and other major domestic leasing companies that are independent of the Company and its connected persons in the market.

***Internal Control Policy to Monitor Connected Transactions***

According to the requirements of management system of the connected transactions of the Company, the finance management department of the Company is responsible for tracking and monitoring the implementation of connected transactions within the scope of business

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

management. During this process, the financial management department of the Company is responsible for information collection and price monitoring of connected transactions, and evaluating the fairness and reasonableness of transaction terms (including pricing terms) by collecting and analysing relevant market data (including at least the transaction terms of two independent third parties providing same or similar services), to ensure that the relevant terms are entered into on normal commercial terms, are no less favourable than those provided by independent third parties, and are consistent with the above pricing principles; and is responsible for monitoring the transaction amounts relating to the proposed annual caps under the 2022 Financial Business Cooperation Agreement by developing management accounts for continuing connected transactions, designating specialists for management and maintenance, and consolidating and preparing statistics for the transaction amounts incurred in the continuing connected transactions on a monthly basis. The Company will re-comply with the necessary approval procedures in accordance with the Listing Rules in respect of continuing connected transactions that are expected to exceed their annual caps.

### *Re-complying with the Listing Rules in respect of Revision of Annual Caps*

If it is anticipated that any of the annual caps under the 2022 Financial Business Cooperation Agreement will be exceeded during the term of the 2022 Financial Business Cooperation Agreement, the Company will re-comply with the applicable compliance obligations at applicable percentage ratios under Chapter 14A of the Listing Rules based on revised annual caps under the 2022 Financial Business Cooperation Agreement.

### *Annual Review of Continuing Connected Transactions by External Auditors*

The external auditors of the Company will issue a letter to the Board regarding the continuing connected transactions of the Company annually pursuant to the Listing Rules, reporting the Company's pricing policies and annual caps of continuing connected transactions conducted during the previous financial year (including the transactions contemplated under the 2022 Financial Business Cooperation Agreement).

### *Annual Review of Continuing Connected Transactions by Independent Non-executive Directors*

The independent non-executive Directors of the Company will conduct an annual review on the continuing connected transactions conducted by the Company during the entire previous financial year in accordance with the requirements of the Listing Rules, and confirm the transaction amount and terms of the continuing connected transactions in the Company's annual report, and make sure that these transactions are entered into on normal commercial terms, are fair and reasonable, and are conducted in accordance with the relevant terms of the agreement governing continuing connected transactions.

We are given to understand from the Company that the transactions of financial leasing services will be subject to the approval of different departments of the Group, namely, finance management department, department of securities and capital operation and department of legal affairs. Accordingly, we have reviewed two samples of historical transactions entered into

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

between the Company and Datang Leasing Company and conducted sample checks on the approval process of the historical transactions and note that the approval forms were properly counter-signed to confirm the approval by the respective units on the terms of the transactions. We are advised by the Company that the samples are randomly selected from recent transactions and we consider the sample size is sufficient in concluding our view that the above pricing policy and internal control measures were properly followed and that the interest rates of the transactions between the Company and Datang Leasing Company are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are able to ensure that the Company will achieve terms which are on normal commercial terms or better.

We have discussed with the Company about the pricing policy and understand that the Company will collect market information from time to time as reference for the purpose of comparison under the price control procedures, including interest rates obtained from other major domestic leasing company that is independent of the Company and its connected persons. We consider that the price control procedures will enable the Company to compare terms from different service providers with market interest rates and effectively ensure the terms from Datang Leasing Company are on normal commercial terms or better.

Also, we have reviewed the list of transactions monitored by the Company for the six months ended 30 June 2022, which confirms that the finance management department of the Company has been closely monitoring the annual caps as well as the terms of the continuing connected transactions in accordance with the Company's pricing policy and internal control measures to ensure they are no less favourable to the Company than terms available to or from an Independent Third Party.

After considering the above factors, we are of the opinion that the continuing connected transactions are conducted on normal commercial terms or better and not prejudicial to the interests of the Company and the Independent Shareholders.

#### **D. Historical Transaction Amounts and New Annual Caps**

The Company adopted, among others, the International Financial Reporting Standards (“IFRS”) 16 (Leases) in its consolidated statement of financial position in connection with leases and finance leases with effect from the beginning of its accounting period on 1 January 2019.

Pursuant to the IFRS 16 (Leases), the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the implicit interest rate in the lease is not readily determinable.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

Accordingly, under the IFRS 16 (Leases), the Company will recognise the leased assets of relevant direct lease(s) which represents the right of the Company to use the leased assets (except short-term leases and low-value leases), subject to the specific lease terms and conditions as set out in each of lease agreements. For the sale and lease-back, the relevant transactions will be accounted for as a finance leasing arrangement between the Company and the lessors.

Before the adoption of IFRS 16 (Leases), the historical transaction amounts of financial leasing and factoring businesses between the Company and Datang Leasing Company under the 2019 Financial Business Cooperation Agreement for the four months ended 31 December 2019, the two years ended 31 December 2021 and the eight months ending 31 August 2022 are set out as follows:

(In RMB billion)	From 1 September 2019 to 31 December 2019	From 1 January 2020 to 31 December 2020	From 1 January 2021 to 31 December 2021	From 1 January 2022 to 31 August 2022 <i>(Note)</i>
Historical transaction amounts	0.2	1.075	1.794	2 <i>(Note)</i>
Annual caps	3	10	10	7
Utilisation rate	Approximately 6.67%	Approximately 10.75%	Approximately 17.94%	Approximately 28.57%

*Note:* As the figures in respect of the transaction amount for the eight months ending 31 August 2022 are not yet available, the above figure is an estimate only. The historical transaction amount for the three months ended 31 March 2022 was RMB137 million. The Company confirms that the relevant transaction amount for the eight months ending 31 August 2022 will not exceed the annual cap.

Assuming calculations were made in accordance with IFRS 16 (Leases), the historical transaction amounts of financial leasing and factoring businesses between the Company and Datang Leasing Company for the four months ended 31 December 2019, the two years ended 31 December 2021 and the three months ended 31 March 2022 are set out as follows:

(In RMB million)	From 1 September 2019 to 31 December 2019	From 1 January 2020 to 31 December 2020	From 1 January 2021 to 31 December 2021	From 1 January 2022 to 31 March 2022
Direct lease	100	368	439	78
Sale and lease-back	100	707	1,355	59
Factoring business	0	0	0	0

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

Pursuant to the Listing Rules, a direct lease is considered an acquisition of assets by the Company and its subsidiaries, while the sale and lease-back constitutes a sale of assets by the Company and its subsidiaries. The proposed annual caps under the 2022 Financial Business Cooperation Agreement for the four months ending 31 December 2022, the two years ending 31 December 2024 and the eight months ending 31 August 2025 are set out as follows:

(In RMB billion)	From 1 September 2022 to 31 December 2022	From 1 January 2023 to 31 December 2023	From 1 January 2024 to 31 December 2024	From 1 January 2025 to 31 August 2025
Direct lease	2	4.5	4.5	2.5
Sale and lease-back	0.8	2	2	1.2
Factoring business	0.2	0.5	0.5	0.3

According to the Letter from the Board, in respect of financial leasing (including direct lease and sale and lease-back), the above proposed annual caps are determined with reference to the following general factors:

- (i) the Company's financing plan, which is derived from the expected capital needs of the Company for the next 36 months. After principally considering that the Company's loans with a total amount of approximately RMB80 billion to RMB100 billion are expected to mature between 2022 and 2024, the principal of financial leasing will be used to replace part of the existing maturing loans and for fulfilling part of the future capital needs for construction of existing projects. These projects (including but not limited to Datang Tuodian New Energy Bundled Delivery Project (大唐托電新能源打捆外送項目) and Baoding Phase IX Heat and Power Project (保定九期熱電項目)) have been approved by the Board. The total investment amount of Datang Tuodian New Energy Bundled Delivery Project and Baoding Phase IX Heat and Power Project is approximately RMB12 billion and RMB2.9 billion, respectively;
- (ii) the increase in the business scale and development plan of the Company. The Company fulfilled the requirements of the "dual carbon" goals, accelerated the structural adjustment, and achieved a good start in the green transformation of the "14th Five-Year Plan". In 2021, the capacity of new units put into operation of the Company totaled 774.15MW, including 446.05MW for wind power projects and 328.10MW for photovoltaic projects. A total of 85 power generation projects obtained approval in 2021, with approved capacity of 7,367.16MW. Among them, there are six wind power projects with approved capacity of 1,862MW; 78 photovoltaic projects with approved capacity of 4,585.16MW; and one thermal power and gas turbine project with approved capacity of 920MW. Tuoketuo Power and Yuxian base projects totaled 3,000MW, and obtained the approval for the first batch of large-scale wind power and photovoltaic bases in the PRC. The Company achieved layout optimization and breakthrough progress of the new energy industry in Guangdong, Anhui, Jiangxi, Tianjin and other regions, and the transformation and development of the Company have been greatly improved in quality and speed. In view of this, in order to reduce the burden of projects' funding, improve financing efficiency and further optimize the Company's

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

financial structure, the Company needs corresponding financial leasing (including direct lease and sale and lease-back) quotas to meet the demand for financial leasing brought about by the growth of the Company's business scale;

- (iii) current financing market condition. At present, the monetary policy of the PRC is relatively loose, and the cost of financial leasing has decreased. In particular, the cost of financial leasing provided by Datang Leasing Company to the Company and its subsidiaries has been further reduced, which further enhances its bargaining power and market share;
- (iv) the nature, carrying value and expected useful life of the leased assets. The carrying value of the leased assets shall not be less than the principal amount of the financial leasing in any case;
- (v) Datang Leasing Company's capability and flexibility of provision of financial leasing service to the Company and its subsidiaries; and
- (vi) a relatively low historical utilization rate, which is mainly due to the fact that the Company and its subsidiaries have chosen to obtain financing from other independent third-party financing channels that offer lower financing costs or more favourable terms compared with Datang Leasing Company during the relevant historical periods.

We have discussed with the management of the Company and understand that the respective proposed annual caps of direct lease and sale and lease-back are also determined after considering the following specific factors:

In respect of direct lease: during the period of "14th Five Year Plan", the Company promotes the green and low-carbon energy transformation, speeds up the construction of large-scale wind power, photovoltaic power and other clean energy integrated base projects, and proactively invests in offshore wind power projects. In 2022 alone, it is expected that the Company will invest approximately RMB24 billion of capital funds in the Tuoketuo Power base project, Yuxian base project, Alxa Left Banner wind power project and Nan'ao offshore wind power project, of which approximately RMB5 billion to RMB7 billion of capital expenditure is planned to be carried out under direct leasing, and the investment is expected to increase in the next few years. In addition to wind power, photovoltaic and other new energy projects, the Company also has a large capital demand for new and expanded thermal power projects in the next few years, and the Company plans to take direct leasing as one of the important financing methods.

In respect of sale and lease-back: considering that the operation of thermal power enterprises is under great pressure at present due to the constant higher coal prices, the sale and lease-back shall provide an important financing channel for thermal power enterprises that have difficulties in external financing. From the perspective of historical transactions, the sale and lease-back business between the Company and Datang Leasing Company had an average annual turnover of approximately RMB1 billion. In addition, the Company's high-interest-rate loans of approximately RMB1 billion to

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

RMB1.5 billion each year will gradually mature in the next three years. The Company plans to replace the Company's existing high-interest-rate loans through sale and lease-back business to be provided by Datang Leasing Company.

In view of the relatively low historical utilization rate, as well as taking into account the possible reduction in the cost of financing to be provided by Datang Leasing Company in the future and other factors mentioned above, the Company has reduced the proposed annual cap of financial leasing (including direct lease and sale and lease-back) accordingly to RMB6.5 billion to meet the increasing demand for financial leasing in the next 36 months.

In respect of factoring business, the proposed annual caps are determined with reference to the following factors:

- (i) it is anticipated that the total account receivables and account payables of the Company and its subsidiaries will exceed RMB30 billion every year for the period between 2022 to 2025. As of the end of June 2022, the account receivables of the Company and its subsidiaries amounted to RMB17.582 billion, of which account receivables of sales of electricity was RMB14.94 billion and account receivables of sales of thermal power was RMB791 million;
- (ii) the increase in business scale and the development plan of the Company (please refer to the above item (ii) under the general factors for determining proposed annual caps of financial leasing for details). In view of this, considering the historical electricity and thermal power tariff receivables as well as the demand on cash flow of the Company and its subsidiaries, the Company needs corresponding factoring business quotas to meet the factoring needs brought about by the growth of the Company's business scale;
- (iii) Datang Leasing Company's capability and flexibility of provision of factoring business service to the Company and its subsidiaries; and
- (iv) a relatively low historical utilization rate (please refer to the above table of utilisation rates of historical transaction amounts under this section headed "D. Historical Transaction Amounts and New Annual Caps" for details). The relatively low historical utilization rate is mainly due to the fact that the Company and its subsidiaries have chosen to obtain financing from other independent third-party financing channels that offer lower financing costs or more favourable terms compared with Datang Leasing Company during the relevant historical periods.

In view of the relatively low historical utilization rate, as well as taking into account the possible reduction in the cost of financing to be provided by Datang Leasing Company in the future and other factors mentioned above, the Company has reduced the proposed annual cap of factoring business accordingly to RMB0.5 billion to meet the increasing demand for factoring business in the next 36 months.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

We have reviewed the above quantitative factors which determine the basis of the proposed annual caps for each category of transactions, including direct lease, sale and lease-back and factoring business, and after considering that lease financing is one of the important financing alternatives under the general debt financing condition and taxation arrangements in the PRC, and the Company is a key customer and long-term business partner of Datang Leasing Company, for providing more convenient, effective and efficient financial leasing as well as factoring products design services to the Company when compared to other financial leasing companies, we agree that such annual caps and their determination basis are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We note that the historical transaction amounts have a utilization rate that ranges from 6.67% to 28.57%. Based on our discussion with the Company, the historical transactions were not close to full utilization of the respective caps since the pricing policy only allows the Company to accept terms from Datang Leasing Company that are equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC, to ensure that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. We have discussed with the Company and understand that the future transaction amounts may increase partly due to the flexibility of a possible reduction in the financing cost to be provided by Datang Leasing Company.

In addition, we also understand from our discussion with the Company that the underlying reason for the proposed annual caps as set out above is also necessitated by the expected increase in capital needs as a result of the Company's future financing plan which includes the key projects disclosed above.

We also note that the proposed annual caps of RMB7 billion for every 12 months from the effective date under the 2022 Financial Business Cooperation Agreement is reduced from RMB10 billion for every 12 months under the 2019 Financial Business Cooperation Agreement, representing a reduction of 30% from the annual caps under the 2019 Financial Business Cooperation Agreement.

Given that there will be an increase in the expected capital needs of the Company and the flexibility of a possible reduction in the cost of financing to be provided by Datang Leasing Company in the future as stated above, and the proposed annual caps are reduced from the annual caps under the 2019 Financial Business Cooperation Agreement by 30%, we consider that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole for the proposed annual caps under the 2022 Financial Business Cooperation Agreement to be set at the respective amounts above in order to cater to the increasing needs for direct lease, sale and lease-back and factoring business in the coming 36 months.

### **E. Reasons for and benefits of entering into the 2022 Financial Business Cooperation Agreement**

According to the Letter from the Board, in recent years, the cooperation with Datang Leasing Company has become an important financing method for the Company and its subsidiaries.

---

## LETTER FROM TRINITY CORPORATE FINANCE LIMITED

---

Through entering into the 2022 Financial Business Cooperation Agreement, the Company is able to obtain financial support and relevant financing services at an interest rate equivalent to or lower than the market rate of the same industry, which allows the Company to further reduce its overall capital costs; the gradual expansion of the financial leasing businesses between Datang Leasing Company and the Company and its subsidiaries, which will further enhance the bargaining power of the Company and its subsidiaries with other leasing companies when conducting financial leasing businesses.

At the same time, Datang Leasing Company would be able to develop a deeper understanding in the operation of the Company and its subsidiaries, which in turn would be able to provide more convenient, effective and efficient financial leasing as well as factoring products design services for the Company and its subsidiaries when compared to those services provided by other financial leasing companies.

The Directors are of the view that the relevant terms of the 2022 Financial Business Cooperation Agreement are fair and reasonable, have been entered into after arm's length negotiations and determined on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

We agree that the reasons stated above are beneficial to the Company and its Shareholders as a whole, and we are of the view that the Company's pricing policy and internal control measures as well as principles of transactions set out above will ensure that the terms and conditions for transactions contemplated under the 2022 Financial Business Cooperation Agreement will be on normal commercial terms or better and hence will be in the interests of the Company and its Shareholders, including the Independent Shareholders, as a whole.

### RECOMMENDATION

Having considered the principal factors and reasons referred to above, in particular:–

- (1) the principal businesses of the Company and Datang Leasing Company;
- (2) the pricing policy and internal control measures as well as the principles of transactions, which ensure that the pricing and other terms and conditions for transactions contemplated under the 2022 Financial Business Cooperation Agreement shall be on normal commercial terms or better and will be similar to or more favourable than that with an Independent Third Party;
- (3) the historical transaction amounts and underlying reasons for setting the annual caps of the 2022 Financial Business Cooperation Agreement; and
- (4) the reasons for and benefits to the Company by entering into the 2022 Financial Business Cooperation Agreement;

we are of the opinion that the terms and the proposed annual caps of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and the 2022

---

**LETTER FROM TRINITY CORPORATE FINANCE LIMITED**

---

Financial Business Cooperation Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, and the entering into of the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the 2022 Financial Business Cooperation Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,  
For and on behalf of  
**Trinity Corporate Finance Limited**  
**Joanne Pong**  
*Responsible Officer*

## 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. DISCLOSURE OF INTERESTS

### Interest of Directors, supervisors and chief executive of the Company

As at the Latest Practicable Date, save as disclosed below, to the best knowledge of the Directors, supervisors and chief executive of the Company, none of the Directors, supervisors or chief executive of the Company have any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which was required: (i) to be 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 any such Director, supervisor or chief executive is taken or deemed to have under such provisions of the SFO); (ii) to be entered into the register required to be kept by the Company under section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

<b>Name of Director</b>	<b>Long position/ short position</b>	<b>Capacity/ nature of interest</b>	<b>Number of A shares held</b>	<b>Approximate percentage of the issued share capital of the Company<sup>(1)</sup></b>
Mr. Liu Jizhen	Long position	Beneficial interest	9,100	0.000049%

*Note:*

- (1) The percentage is calculated based on the 18,506,710,504 issued shares of the Company as at the Latest Practicable Date.

### Interest of substantial Shareholders of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors, supervisors and chief executive of the Company, the interest and short positions of the substantial Shareholders in the issued share capital of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of Shareholder	Class of shares	Number of shares held	Approximate percentage to total issued share capital of the Company (%)	Approximate percentage to total issued A shares of the Company (%)	Approximate percentage to total issued H shares of the Company (%)
CDC (Note 1)	A shares	6,540,706,520	35.34	52.76	/
	A shares	8,738,600	0.05	0.07	/
	H shares	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Tianjin Jinneng Investment Co., Ltd. (Note 2)	A shares	1,285,748,600	6.95	10.37	/
Hebei Construction & Investment Group Co., Ltd. (Note 3)	A shares	1,281,872,927	6.93	10.34	/

(L) = Long position

*Notes:*

- (1) Mr. Su Min and Mr. Liu Jianlong, both non-executive Directors, are employees of CDC.
- (2) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Co., Ltd.
- (3) Mr. Cao Xin and Mr. Zhao Xiangguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.

As at the Latest Practicable Date, save as disclosed above and to the best knowledge of the Directors, supervisors and chief executive of the Company, (i) no person had any interests or short positions in the shares or underlying shares of the Company which were required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company; and (ii) none of the Directors, proposed Directors, supervisors, proposed supervisors, chief executive or proposed chief executive of the Company, being also a director or employee of a company, had any interest or short position in the shares or underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

#### 4. INTEREST IN ASSETS OR CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company had any direct or indirect interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any contracts or arrangements entered into by any member of the Group, which were subsisting as at the Latest Practicable Date and which were significant in relation to the business of the Group.

#### 5. MATERIAL CHANGES

The Directors are not aware of 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, and including the Latest Practicable Date.

#### 6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, proposed Directors or their respective close associates had any interests in a business which competes or was likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder).

#### 7. EXPERT AND CONSENT

- (a) The following sets out the qualification of the expert which has given its opinion or advice as contained in this circular:

<b>Name</b>	<b>Qualification</b>
Trinity Corporate Finance Limited	a licensed corporation under the SFO permitted to conduct type 6 (advising on corporate finance) regulated activities for the purposes of the SFO

The letter and recommendation from the above expert is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, the above expert:

- (b) did not have any shareholding, direct or indirect, in any members of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group;

- (c) did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any members of the Group, or which are proposed to be acquired or disposed of by or leased to any members of the Group since 31 December 2021, the date to which the latest published audited financial statements of the Company were made up; and
- (d) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.

## **8. LITIGATION**

The Group is not at present engaged in any litigation or arbitration of material importance to the Group and no member of the Group is engaged in any litigation or claim of material importance to the Group is known to the Directors or the Company to be pending or threatened by or against any member of the Group.

## **9. MISCELLANEOUS**

- (a) The registered office and office address of the Company is No. 9 Guangningbo Street, Xicheng District, Beijing, the PRC.
- (b) The principal place of business of the Company in Hong Kong is at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.
- (c) The Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The joint company secretaries of the Company are Mr. Jiang Jinming and Ms. Mak Po Man Cherie. Mr. Jiang is a senior accountant and Ms. Mak is an associate member of The Hong Kong Chartered Governance Institute, an associate member of The Chartered Governance Institute in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

## **10. DOCUMENT ON DISPLAY**

Copy of the following document will be published at the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.dtpower.com>) for 14 days from the date of this circular:

- (a) the 2022 Financial Business Cooperation Agreement.