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中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01798)

**CONNECTED TRANSACTION
DISPOSAL OF 15% EQUITY INTEREST IN
DATANG CORPORATION HONG KONG COMPANY**

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, Datang Renewables HK, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with CDC on 18 August 2020, pursuant to which Datang Renewables HK agreed to sell and CDC agreed to acquire 15% equity interest in Datang Corporation Hong Kong Company at a consideration of RMB9,381,585.

As at the date of this announcement, Datang Renewables HK held 15% equity interest in Datang Corporation Hong Kong Company. Immediately after the completion of the Equity Transfer Agreement, Datang Renewables HK will not hold any equity interest in Datang Corporation Hong Kong Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Datang Renewables HK is a wholly-owned subsidiary of the Company. As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Accordingly, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Equity Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, Datang Renewables HK, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with CDC on 18 August 2020, pursuant to which Datang Renewables HK agreed to sell and CDC agreed to acquire 15% equity interest in Datang Corporation Hong Kong Company. The principal terms of the Equity Transfer Agreement are set out below:

- Date: 18 August 2020
- Parties:
- (1) Datang Renewables HK (as the transferor)
 - (2) CDC (as the transferee)
- Subject matter: Datang Renewables HK agreed to sell, and CDC agreed to acquire 15% equity interest in Datang Corporation Hong Kong Company, pursuant to the terms and conditions of the Equity Transfer Agreement
- Consideration and payment: The consideration for the transfer is RMB9,381,585, which shall be payable in cash by CDC. The consideration shall be paid in full by CDC within 40 business days after the Equity Transfer Agreement becomes effective.
- Pricing basis: The consideration was determined after arm's length negotiations with reference to the appraised value of the net assets of Datang Corporation Hong Kong Company as at 31 December 2019 (the valuation reference date). According to the Valuation Report, the appraised value of the net assets of Datang Corporation Hong Kong Company amounted to RMB62,543,900, which was determined by Pan-China Assets Appraisal Co. Ltd. (北京天健興業資產評估有限公司) using the assets-based approach.
- Conditions precedent:
- (1) Datang Renewables HK and CDC complete their respective internal decision-making procedures to approve the Equity Transfer Agreement and the equity transfer thereunder;
 - (2) the Valuation Report has been filed; and
 - (3) the Equity Transfer Agreement is signed and sealed by the legal representatives or authorized representatives of Datang Renewables HK and CDC.

Arrangement during Transitional Period: The profits or losses arising from the Target Equity in the Transitional Period shall be enjoyed or assumed by CDC.

Completion: Datang Renewables HK and CDC shall assist Datang Corporation Hong Kong Company to complete the registration procedures for the corresponding equity transfer as soon as possible after the Equity Transfer Agreement becomes effective.

Immediately after the completion of the Equity Transfer Agreement, Datang Renewables HK will not hold any equity interest in Datang Corporation Hong Kong Company.

INFORMATION ON DATANG CORPORATION HONG KONG COMPANY

Datang Corporation Hong Kong Company is a limited liability company incorporated in Hong Kong on 22 June 2017. As at the date of this announcement, Datang Corporation Hong Kong Company is held as to 40%, 30%, 15% and 15% by CDC, Datang International (Hong Kong) Limited, Datang Renewables HK and China Datang Overseas (Hong Kong) Co., Limited, respectively. Datang Corporation Hong Kong Company is principally engaged in handling businesses in Hong Kong, liaison with relevant government authorities, business associations, financial institutions, etc. in Hong Kong, collection of information on overseas projects, and provision of support and services for CDC Hong Kong entities in terms of tax payment, legal affairs, financing, local supervision and other businesses.

The key financial data of Datang Corporation Hong Kong Company for the years ended 31 December 2018 and 31 December 2019 prepared in accordance with the China Accounting Standards for Business Enterprises are set out below:

	For the year ended 31 December 2018	For the year ended 31 December 2019
	<i>RMB</i>	<i>RMB</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Revenue	221,400	439,925
Loss before taxation	(3,142,677)	(2,598,040)
Loss after taxation	(3,142,677)	(2,598,040)

According to the financial data of Datang Corporation Hong Kong Company prepared in accordance with the China Accounting Standards for Business Enterprises, the audited total assets and net assets of Datang Corporation Hong Kong Company as at 31 December 2019 were RMB62,674,283 and RMB62,543,723, respectively.

FINANCIAL IMPACT OF THE EQUITY TRANSFER AGREEMENT AND USE OF THE PROCEEDS

It is expected that a loss of approximately RMB18,700 will be recorded from the Disposal, which is estimated based on the book value and appraised value of the Target Equity held by the Group as at 31 December 2019. The net proceeds from the Disposal, after deducting the expenses payable in connection with the Disposal, are estimated to be approximately RMB9,362,800. The above estimation is for illustrative purpose only and is subject to review and confirmation by the auditors of the Company. The net proceeds are expected to be used for replenishment of working capital.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

As Datang Corporation Hong Kong Company will mainly be responsible for handling relevant affairs of CDC in Hong Kong in future, comprehensively considering the adjustment to function positioning of Datang Corporation Hong Kong Company as well as the business synergy between the Company and Datang Renewables HK in the long run, Datang Renewables HK proposes to dispose its 15% equity interest in Datang Corporation Hong Kong Company, so as to further improve the resources allocation efficiency. The proceeds from the transfer of such equity interest will be used as additional working capital of Datang Renewables HK.

After the equity transfer, Datang Renewables HK will no longer hold any equity interest in Datang Corporation Hong Kong Company. The equity transfer will not have adverse impact on the business development of the Company and Datang Renewables HK.

The Directors (excluding Directors required to abstain from voting, but including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements are entered into on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Mr. Kou Wei, Mr. Hu Shengmu, Mr. Li Yi and Mr. Liu Baojun, being the connected directors, have abstained from voting on the relevant resolutions considered and approved at the Board meeting, due to their positions in CDC, the controlling shareholder. Save as disclosed above, no Director has any material interest in the Equity Transfer Agreement.

GENERAL INFORMATION

Information on the Company

The Company is a joint stock limited company incorporated in the PRC in September 2004. The Company is a leading renewable energy company in PRC in terms of wind power installed capacity. The Group is primarily engaged in the development, investment, construction and management of wind power and other new energy resources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of new energy-related equipment; power generation; design, construction and installation, repair and maintenance of domestic and overseas power projects; import and export services of new energy equipment and technology; foreign investment; new energy-related consulting services; as well as leasing of property.

Information on Datang Renewables HK

Datang Renewables HK is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is mainly engaged in businesses relating to power and energy projects.

Information on CDC

CDC is a state-owned enterprise established in the PRC. CDC is primarily engaged in the development, investment, construction, operation and management of power energy; organization of power (thermal) production and sales; manufacture, inspection and maintenance and commissioning of electric power equipment; power technology development and consultation; contracting and consulting of electric power engineering and environmental protection projects; development of new energy; and self-operating and being an agent for import and export of various goods and technologies (save for the goods and technologies the import or export of which is restricted or prohibited by the laws and regulations of the PRC).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Datang Renewables HK is a wholly-owned subsidiary of the Company. As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Accordingly, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Equity Transfer Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors of the Company
“CDC”	China Datang Corporation Ltd.* (中國大唐集團有限公司), a state-owned enterprise incorporated in 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
“Company”	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Stock Exchange (stock code: 01798)
“Completion Date”	the date on which the conditions precedent to the Equity Transfer Agreement are fulfilled
“connected Directors”	any Director who is considered to have a material interest in the Equity Transfer Agreement pursuant to Rules 2.15 and 2.16 of the Listing Rules
“connected person (s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction (s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder (s)”	has the meaning ascribed to it under the Listing Rules
“Datang Corporation Hong Kong Company”	China Datang Corporation Hong Kong Co., Limited, a company incorporated in Hong Kong with limited liability
“Datang Renewables HK”	Datang Renewables (H. K.) Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“Director (s)”	the director(s) of the Company
“Disposal”	disposal of 15% equity interest in Datang Corporation Hong Kong Company by Datang Renewables HK to CDC pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between Datang Renewables HK and CDC on 18 August 2020, pursuant to which Datang Renewables HK agreed to sell 15% equity interest in Datang Corporation Hong Kong Company to CDC
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares of the Company
“Share (s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each
“subsidiary (ies)”	has the meaning ascribed to it under the Listing Rules

“Target Equity”	the 15% equity interest in Datang Corporation Hong Kong Company held by Datang Renewables HK
Transitional Period	from the audit and valuation reference date to the Completion Date
“Valuation Report”	the Asset Valuation Report on Entire Shareholders’ Equity Value in China Datang Corporation Hong Kong Co., Limited (Tian Xing Ping Bao Zi (2020) No.0888) issued by Pan-China Assets Appraisal Co., Ltd. on 23 June 2020
“%”	per cent

By Order of the Board
China Datang Corporation Renewable Power Co., Limited*
Cui Jian
Joint Company Secretary

Beijing, the PRC, 18 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Liu Guangming and Mr. Meng Lingbin; the non-executive directors are Mr. Kou Wei, Mr. Hu Shengmu, Mr. Li Yi and Mr. Liu Baojun; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purpose only*