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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)

ANNOUNCEMENT
MAJOR TRANSACTION AND CONTINUING CONNECTED
TRANSACTION – RENEWAL OF FINANCIAL SERVICES
AGREEMENT
AND
MAJOR TRANSACTION AND CONTINUING CONNECTED
TRANSACTION – ENTERING INTO THE FINANCE LEASE
BUSINESS FRAMEWORK AGREEMENT

RENEWAL OF FINANCIAL SERVICES AGREEMENT

MAIN CONTENT

References are made to the announcements dated 12 May 2017 and 23 August 2018, respectively and the circulars dated 2 June 2017 and 21 September 2018 in relation to entering into the financial services agreement and the supplement agreement to financial services agreement between the Company and Datang Finance. As the agreements and annual caps of such continuing connected transactions will expire on 31 December 2020, the Company and Datang Finance renewed the Financial Services Agreement on 20 October 2020.

LISTING RULES IMPLICATIONS

As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company as at the date of this announcement, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the loan services to be provided by Datang Finance to the Group, as the loan services are entered into on normal commercial terms (or more favourable terms as to the Group) and no security over the assets of the Group will be granted in respect of the loan services, the loan services will constitute financial assistance to be provided by a connected person for the benefit of the Group in accordance with the Listing Rules. The loan services could be exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

In respect of the deposit services to be provided by Datang Finance to the Group, as one or more of the percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) applicable to the deposit services are more than 5%, the deposit services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. The Company will disclose the relevant details in the annual reports and accounts of the Company to be published in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules.

In addition, as one or more of the percentage ratio(s) applicable to the deposit services are more than 25%, the deposit services constitute major transactions of the Company and are subject to the requirements of reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In respect of other financial services to be provided by Datang Finance to the Group, each of the percentage ratio(s) applicable to other financial services is below the de minimis threshold set out in Rule 14A.76 of the Listing Rules, therefore the provision of other financial services by Datang Finance to the Group is exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements of the Listing Rules. The Company will comply with the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules if the transaction amount of the other financial services to be provided by Datang Finance to the Group under the Financial Services Agreement exceeds the relevant threshold.

APPROVAL BY THE BOARD AND INDEPENDENT SHAREHOLDERS

Having considered the relevant pricing policies and basis for determination of proposed annual caps and reasons for and benefits of entering into the Financial Services Agreement, Directors (excluding connected Directors, but including independent non-executive Directors) are of the view that the terms of the Financial Services Agreement are fair and reasonable and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Mr. Kou Wei, Mr. Li Yi and Mr. Liu Baojun, being connected Directors in CDC Group, have abstained from voting on the resolution in relation to consideration and approval of the transactions contemplated under the Financial Services Agreement and their proposed annual caps at the Board meeting. Other than those disclosed above, none of the Directors has any material interest in the transactions contemplated under the Financial Services Agreement and their proposed annual caps.

Since the deposit services under the Financial Services Agreement and its proposed annual caps are subject to Independent Shareholders' approval, an Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the deposit services under the Financial Services Agreement and its proposed annual caps. Gram Capital has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same issue.

ENTERING INTO THE FINANCE LEASE BUSINESS FRAMEWORK AGREEMENT

MAIN CONTENT

References are made to the announcement dated 29 September 2017 and the circular dated 24 October 2017 of the Company in relation to entering into the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement between the Company and DFL and Shanghai Leasing Company, respectively. As the agreements and annual caps of such continuing connected transactions will expire on 31 December 2020, and taking into account that the terms and conditions of such continuing connected transaction agreements are the same, the Company and CDC Capital Holding (both DFL and Shanghai Leasing Company are its subsidiaries) entered into the Finance Lease Business Framework Agreement on 20 October 2020 to agree on the Finance Lease services provided to members of the Group by DFL and Shanghai Leasing Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, since 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. CDC Capital Holding is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Finance Lease Business Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the entering into of the Finance Lease Business Framework Agreement and the transactions contemplated thereunder are more than 5%, such transaction is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as one or more of the percentage ratio(s) applicable to the transactions under the Finance Lease Business Framework Agreement are more than 25% but less than 75%, such transactions constitute major transactions of the Company that are subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

APPROVAL BY THE BOARD AND INDEPENDENT SHAREHOLDERS

Having considered the relevant pricing policies and basis for determination of proposed annual caps and reasons for and benefits of conducting the Finance Lease Business Framework Agreement, the Directors (excluding connected Directors, but including independent non-executive Directors) are of the view that the terms of the Finance Lease Business Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

As Mr. Kou Wei, Mr. Li Yi and Mr. Liu Baojun, being connected Directors in CDC Group, they have abstained from voting on the resolution in relation to consideration and approval of the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof at the Board meeting. Saved as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof.

Since the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof are subject to the Independent Shareholders' approval, the Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof. Gram Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders of the Company on the same issue.

EGM

The EGM will be held by the Company to consider and approve the deposit services under the Financial Services Agreement and the transactions contemplated under the Finance Lease Business Framework Agreement, and their respective proposed annual caps. As additional time is required for the Company to prepare and finalise relevant information to be included in the circular, a circular containing, among other things, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice convening the EGM is expected to be despatched to the Shareholders according to the Listing Rules on or before 20 November 2020.

I. MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF FINANCIAL SERVICES AGREEMENT

References are made to the announcements dated 12 May 2017 and 23 August 2018, respectively and the circulars dated 2 June 2017 and 21 September 2018 in relation to entering into the financial services agreement and the supplement agreement to financial services agreement between the Company and Datang Finance. As the agreements and annual caps of such continuing connected transactions will expire on 31 December 2020, the Company and Datang Finance renewed the Financial Services Agreement on 20 October 2020.

(1) Financial Services Agreement

The major terms of the Financial Services Agreement are as follows:

Date	20 October 2020
Parties	(i) the Company (ii) Datang Finance
Term of the agreement	From 1 January 2021 to 31 December 2023

Nature of transaction

The services to be provided by Datang Finance to the Group include deposits from customers; management of the intra-group entrusted loans; management of the consultation and agency businesses in relation to finance and financing advisers, guarantee trust and others; assistance in the receipt and payment of transaction proceeds; approved insurance agency business; provision of guarantee; management of the bill acceptance and discount services; management of the intra-group transfer and relevant settlement and settlement scheme design; management of the financial services including loans and finance lease; provision of underwriting advisory services concerning the issuance of corporate bonds by enterprises. Datang Finance shall ensure the safety operation of fund management system to safeguard the fund, and to control the asset liabilities risk so as to satisfy the payments needs of the Group.

Scope of services:

- (1) Loan services;
- (2) Deposit services; and
- (3) Apart from the loan services and the deposit services, the other financial services provided by Datang Finance to the Group mainly include management of the intra-group entrusted loans; management of the consultation and agency businesses in relation to finance and financing advisers, guarantee trust and others; assistance in the receipt and payment of transaction proceeds; approved insurance agency business; provision of guarantee; management of the bill acceptance and discount services; management of the intra-group transfer and relevant settlement and settlement scheme design; management of the financial services including finance lease; provision of underwriting advisory services concerning the issuance of corporate bonds by enterprises (“**Other Financial Services**”).

Conditions precedent The Financial Services Agreement shall become effective upon the Independent Shareholders' approval of the deposit services thereunder and its proposed annual caps.

(2) Pricing Policy

Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing policies:

- (1) within the range for the floating deposit interests rates published by the PBOC and by reference to the benchmark deposit interest rate published by the PBOC, the deposit interest rate provided by Datang Finance to the Group shall not be lower than the equivalent deposit interest rate as offered by the independent domestic commercial banks in the PRC;
- (2) within the range for the floating loan interests rates published by the PBOC and by reference to the benchmark loan interest rate published by the PBOC, the loan interest rate granted by Datang Finance to the Group shall not be higher than the equivalent loan interest rate for the same type of loan service to members of CDC Group as charged by the independent domestic commercial banks in the PRC;
- (3) the fees charged by Datang Finance for its provision of other financial services to the Group should not be higher than the rates charged by the other independent domestic financial institutions in the PRC for the services of the same or similar kind; and
- (4) the settlement expenses resulting from the funds settlement services provided by Datang Finance to the Group shall be borne by Datang Finance.

(3) Historic Amount

Pursuant to the financial services agreement and the supplement agreement to financial services agreement entered into between the Company and Datang Finance on 27 March 2015, 12 May 2017 and 23 August 2018, the annual caps of the daily maximum deposit balance placed by the Group with Datang Finance amounted to RMB1 billion, RMB6 billion, RMB6 billion and RMB6 billion for the four years ending 31 December 2020, respectively.

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, the actual daily maximum deposit balance (including any interest accrued thereon) of the Group at Datang Finance amounted to RMB989.78 million, RMB2,829.68 million, RMB3,514 million and RMB3,195 million, respectively.

(4) Proposed Annual Caps and the Basis of Determination

Loan Services

In view that the loan services to be provided by Datang Finance to the Group are on normal commercial terms (or more favourable terms as to the Group) and that no security over the assets of the Group will be granted in respect of the loan services, the loan services could be exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules. Datang Finance will grant integrated credit facilities of RMB4 billion to the Group for each of the three years ending 31 December 2023.

Deposit Services

The Company proposes to set the daily maximum deposit balance (including any interest accrued thereon) at Datang Finance as RMB6 billion for each of the three years ending 2023 after taking into account of the following:

- (i) The daily maximum deposit balances (including any interest accrued thereon) of the Group at Datang Finance for the two years ended 31 December 2018 and 2019 were RMB2.829 billion and RMB3.514 billion; and the daily maximum deposit balance as at 31 August 2020 was RMB3.195 billion, which indicated a relatively high utilisation rate of the existing annual caps for the years 2018 to 2020 and the Company considered it necessary to keep the existing annual caps;
- (ii) The historic and expected revenue of the Group: partial revenue acquired by the Group is generally reflected as the deposits of the Company in the Bank and Datang Finance. The increase in the revenue will directly impact the balance of the Group's deposits in the Bank and Datang Finance. The Group's revenue increased by 0.06% year-on-year in 2019 from 2018, among which, the Group's revenue from sales of electricity increased by 0.18% year-on-year to RMB8,251.39 million in 2019 from RMB8,236.59 million in 2018. The Group's revenue is expected to continue to increase due to the further mitigation of the curtailment of wind power and the increase of the production capacity;

- (iii) The Group's cash and cash equivalents and trade and bills receivables (which may turn into cash upon receipt) as at 30 June 2020 are approximately RMB5.948 billion and RMB11.827 billion respectively, the sum of which (i.e. approximately RMB17.775 billion) is much higher than RMB6 billion; if trade and bills receivables are concentrated or available in short term, the amount of cash will increase substantially, which will lead to the increase in the Group's deposits; and
- (iv) According to the new energy business development plan of the Group, the expansion of the scale of the projects under construction and installed capacity of the Group will lead to an increase in capital demand of projects under construction and projects that have been put into production, which will result in the increase of the size of debt financing and cash balance of the Group and will also increase the daily maximum balance of the Group's deposits with Datang Finance.

The Directors (including the independent non-executive Directors) consider that the above proposed deposit caps in respect of the deposit services are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Other Financial Services

The Company expects that each of the percentage ratios applicable to the total fees payable by the Group to Datang Finance in respect of other financial services will be less than the de minimis threshold as set out in Rule 14A.76 of the Listing Rules. The Company will comply with the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules if the transaction amount of the other financial services to be provided by Datang Finance to the Group under the Financial Services Agreement exceeds the relevant threshold.

(5) Reasons for and Benefits of the Entering into of the Financial Services Agreement

By entering into the Financial Services Agreement with Datang Finance, the Group is able to secure loans and other financing services at interest rates not higher than those offered by domestic commercial banks in the PRC under the same conditions during the same period, which assists in improving the overall standard of fund operation of the Company and enhancing the Group's bargaining power of external financing. The entering into the Financial Services Agreement can also enable the Company to secure interest rates for deposits not lower than those offered by domestic commercial banks in the PRC under the same conditions during the same

period and enjoy payment and settlement services with no handling fee, thereby increasing interest income on deposits and saving e-settlement costs. Due to the long-term relationship between the Group and Datang Finance, the Group expects that it will benefit from Datang Finance, which is familiar with the industry and operation of the Group. Through cooperation between each other for many years, Datang Finance is familiar with the capital structure, business operation, financing needs, mode of cash flow and cash management of the Group, as well as the Group's entire financial management system, so it will be an advantage to provide the Group with more appropriate, effective and flexible services when compared with the independent domestic commercial banks in the PRC.

The Directors (including the independent non-executive Directors) consider that it is beneficial to the Company to continue to enter into the continuing connected transactions as these transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Additionally, the Directors (including the independent non-executive Directors) believe that these transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(6) Listing Rules Implications

As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company as at the date of this announcement, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Loan Services

In respect of the loan services to be provided by Datang Finance to the Group, as the loan services are entered into on normal commercial terms (or more favourable terms as to the Group) and no security over the assets of the Group will be granted in respect of the loan services, the loan services will constitute financial assistance to be provided by a connected person for the benefit of the Group in accordance with the Listing Rules. The loan services could be exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Deposit Services

In respect of the deposit services to be provided by Datang Finance to the Group, as one or more of the percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) applicable to the deposit services are more than 5%, the deposit services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. The Company will disclose the relevant details in the annual report and accounts of the Company to be published in the next year in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules.

In addition, as one or more of the percentage ratio(s) applicable to the deposit services are more than 25%, the deposit services constitute major transactions of the Company and are subject to the requirements of reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Other Financial Services

In respect of other financial services to be provided by Datang Finance to the Group, each of the percentage ratio(s) applicable to other financial services is below the de minimis threshold set out in Rule 14A.76 of the Listing Rules, therefore the provision of other financial services by Datang Finance to the Group is exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements of the Listing Rules. The Company will comply with the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules if the transaction amount of the other financial services to be provided by Datang Finance to the Group under the Financial Services Agreement exceeds the relevant threshold.

(7) Internal Control Procedures and Corporate Governance Measures

Loan Services

The internal control procedures adopted by the Company in relation to the loan services include, among others, during a certain period of time before the financing, the Company will take the initiative to locate independent domestic commercial banks in the PRC, inquire about the financing costs, undergo a comprehensive comparison according to the preferential conditions and interest rates and financing procedures given by each independent domestic commercial bank in the PRC in the negotiation process to determine the optimal choice to ensure that the Company's financing is most cost-effective.

Deposit Services

The Company has adopted internal control and monitoring procedures relating to the deposit services, including:

- (i) Before entering into any deposit arrangements with Datang Finance, the Company will negotiate with Datang Finance on an arm's length basis in respect of the deposit interest rate of the deposit services, and ensure that such interest rate is determined (1) by reference to and is not lower than the benchmark interest rate then published by the PBOC for similar deposits for a similar term and in case of any change in the benchmark deposit interest rate, the deposit interest rate to be payable by Datang Finance shall be determined by reference to and not lower than such benchmark deposit interest rate; and (2) by reference to and is not lower than the deposit interest rates offered by at least four other independent domestic commercial banks in the PRC for similar deposit services on normal commercial terms. In the way, the Company will be able to ensure the deposit interest rate of the deposit services will not be less favourable than that published by PBOC for similar deposits for a similar term and that offered by four other independent domestic commercial banks in the PRC for similar deposits for a similar term;

In the event that upon receiving deposit certificate which shows the deposit interest rate as offered by Datang Finance, and the Company notes that the deposit interest rate as offered by Datang Finance is less than the then negotiated deposit interest rate as offered by PBOC, the Company will require Datang Finance to provide the differences in the part of interest to the Company;

- (ii) Finance department of the Company will monitor the deposit services on a daily basis to ensure the proposed annual caps will not be exceeded;
- (iii) Finance department of the Company will report to the management of the Company, giving an update of the deposit arrangements entered into with Datang Finance on a monthly basis;
- (iv) Directors (including independent non-executive Directors) will review the transactions contemplated under the Financial Services Agreement and their proposed annual caps each year, to ensure that the transactions contemplated under the Financial Services Agreement are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole; and

- (v) The auditor of the Company will perform annual reviews on the pricing and annual caps of such transactions.

(8) Capital Risk Control Measures

- (i) Datang Finance will ensure the safe operation of the funds management information system, all of which has passed the security test in respect of the interface of online banking of commercial banks and has reached the security standards for domestic commercial banks. The system has adopted the mode awarded with CA safety certificate verification to ensure the security of the funds of the Group;
- (ii) Datang Finance will ensure that it operates in strict compliance with the risk monitoring indicators for financial institutions issued by the CBIRC and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the CBIRC;
- (iii) CDC has undertaken to the CBIRC that, in the event that Datang Finance is in urgent difficulty in making payment, CDC will increase capital accordingly based on the actual need to solve such problem; and
- (iv) Any balance of the Group's funds (after deducting the amount used for entrusted loans and the loans granted to the Group by Datang Finance) will be deposited into one or more commercial banks as interbank deposits.

(9) Opinions of the Board

Having considered the abovementioned pricing policies and basis for determination of proposed annual caps and reasons for and benefits of entering into the Financial Services Agreement, Directors (excluding connected Directors, but including independent non-executive Directors) are of the view that the terms of the Financial Services Agreement are fair and reasonable and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Mr. Kou Wei, Mr. Li Yi and Mr. Liu Baojun, being connected Directors by virtue of their positions in CDC Group, have abstained from voting on the resolution in relation to consideration and approval of the transactions contemplated under the Financial Services Agreement and their proposed annual caps at the Board meeting. Other than those disclosed above, none of the Directors has any material interest in the transactions contemplated under the Financial Services Agreement and their proposed annual caps.

(10) Approval by Independent Shareholders

Since the deposit services under the Financial Services Agreement and its proposed annual caps are subject to Independent Shareholders' approval, an Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the deposit services under the Financial Services Agreement and its proposed annual caps. Gram Capital has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same issue.

In view of the material interests of CDC in the deposit services under the Financial Services Agreement and its proposed annual caps, CDC and the associates (which is interested in an aggregate of approximately 65.61% of the total issued share capital of the Company as at the date of this announcement) are required to abstain from voting on the resolution to be proposed by the Company at the EGM to approve the deposit services under the Financial Services Agreement and its proposed annual caps.

As at the date of this announcement, to the best knowledge, information and belief of the Directors, save as disclosed in this announcement, no other Shareholders will be required to abstain from voting in respect of relevant resolution.

(11) 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 generation 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 renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; design, construction and installation, repair

and maintenance of domestic and overseas power projects; import and export services of renewable energy equipment and technology; foreign investment; renewable energy-related consulting services; as well as leasing of property.

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 electrical 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).

Information on Datang Finance

Datang Finance was incorporated in the PRC as a non-bank financial institution in May 2005. It is principally engaged in providing consultancy and agency service in relation to financial advisory, guarantee trust service and related services; assisting intra-group members in realizing receipt and payment of transaction amount; providing approved insurance agency services; serving as guarantees for loans of intra-group members; handling entrusted loan and entrusted investment between intra-group members; handling bill acceptances and discounting for intra-group members; conducting internal transfer settlement between intra-group members and designing of corresponding settlement and liquidation plan; absorbing deposits from intra-group members; dealing with loan and financial leasing for intra-group members; dealing with inter-bank offered credit; issuing finance company bonds upon approval, underwriting corporate bonds of intra-group members; making equity investments in financial institutions; and investment in negotiable securities, etc.

II. MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – ENTERING INTO THE FINANCE LEASE BUSINESS FRAMEWORK AGREEMENT

References are made to the announcement dated 29 September 2017 and the circular dated 24 October 2017 of the Company in relation to entering into the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement between the Company and DFL and Shanghai Leasing Company, respectively. As the agreements and annual caps of such continuing connected transactions will expire on 31 December 2020, and taking into account that the terms and conditions of such continuing connected transaction agreements are the same, the Company and CDC Capital Holding (both DFL and Shanghai Leasing Company are its subsidiaries) entered into the Finance Lease Business Framework Agreement on 20 October 2020 to agree on the Finance Lease services provided to members of the Group by DFL and Shanghai Leasing Company.

(1) Finance Lease Business Framework Agreement

The principal terms of the Finance Lease Business Framework Agreement are as follows:

Date	20 October 2020
Parties	(i) The Company (ii) CDC Capital Holding
Term of the agreement	From 1 January 2021 to 31 December 2023
Nature of transaction	Provision of the Finance Lease services by DFL and Shanghai Leasing Company, subsidiaries of CDC Capital Holding (collectively referred to as the “ Lessors ”) to members of the Group (collectively referred to as the “ Lessees ”) by way of direct lease or sale and lease-back upon reasonable requests. With respect to each Finance Lease, the relevant Lessors and Lessees will enter into separate specific written agreement(s) (the “ Specific Agreement(s) ”) subject to the provisions of the Finance Lease Business Framework Agreement.

Lease method

The Finance Lease methods 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 assets from the Lessees and lease them back to the Lessees based on the Lessees' choice; and

Direct lease refers to the purchase by the Lessors and the provision of the leased assets to the Lessees as per the specifications and requirements of the Lessees.

Lease period

The lease period for each Finance Lease will be determined by taking into account, inter alia, the useful life of the relevant Leasing Equipment^(Note 1), the financial needs of the Lessees and the funding availability of the Lessors, which in general shall not exceed the effective service life of such Leasing Equipment.

Lease payments and interest

The lease payments charged by the Lessors will include the purchase price (in the case of direct lease) or the value (in the case of sale and lease-back) of the Leasing Equipment^(Note 2) and interest thereon charged on defined terms no less favourable to the Lessees than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark lending rates published by PBOC from time to time^(Notes 3 and 5), or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services. If the PBOC adjusts the RMB loan benchmark annual interest rates during the term of relevant Finance Lease agreements, the lease interest rates will be adjusted accordingly and may be adjusted on a quarterly basis.

Handling fee	A one-off non-refundable handling fee may be charged by the Lessors on defined terms of handling fee no less favourable to the Lessees than those offered by independent third parties when Specific Agreement(s) is (are) entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant Specific Agreement(s) ^(Notes 4, 5) .
Ownership	The legal title and all rights to the Leasing Equipment shall be vested in the Lessors throughout the lease period.
Purchase option	Subject to the Lessees having performed all their obligations under, and upon the expiry of the lease period of the Specific Agreement(s), the Lessees shall have an option to purchase the relevant Leasing Equipment at a nominal price ^(Note 6) .
Conditions precedent	The Finance Lease Business Framework Agreement is subject to the approval of the transactions contemplated thereunder and their proposed annual caps by the Independent Shareholders.

Notes (for illustration purpose only):

1. The useful life of the Leasing Equipment will be assessed by reference to the Group's assets management policy, industry practice, the historical experience in using the Leasing Equipment and information obtained from internal engineering department staff who has technical knowledge on the use of the Leasing Equipment.
2. In respect of the Finance Lease involving sale and lease-back, the basis of determining the value of the Leasing Equipment is the fair market value of such Leasing Equipment and the Lessor will also make reference to the net carrying amount of such Leasing Equipment and ensure that the amount to be leased will not exceed the lower of the fair market value and the net carrying amount of the Leasing Equipment in any event.

In respect of the Finance Lease involving direct lease of Leasing Equipment newly acquired by the Lessors, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessors and the Lessees. The Lessors will also take into account other factors including the risk profile of the Lessees and the type of the Leasing Equipment in determining the appropriate lease amount.

The costs of Leasing Equipment referred to in the above two paragraphs are specified based on the market value determined through open tendering. Procedures for open tendering shall be strictly in compliance with the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), which applies to all purchases of major equipment. Failing to follow such legislation would result in a maximum fine of RMB100,000 according to the Regulation on the Implementation of the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》).

According to the “Administrative Measures on Tendering Procedures of China Datang Corporation Renewable Power Co., Limited* (《中國大唐集團新能源股份有限公司招標管理辦法》)”, the public tendering procedures of the Company in relation to the Finance Lease business mainly consist of three stages: (i) the Company as a lessee will issue the tender invitation to not less than three entities, including the Lessors DFL and Shanghai Leasing Company; (ii) the tender committee, which will be formed by relevant functional departments of the Company, shall make judgement to the terms to be provided by the tenderer by reference to the terms provided by independent third party(ies) and the benchmark interest rate of loans to be announced by PBOC from time to time, or if there is no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions to the same or similar types of services, to make sure the reasonableness of the tendering and pricing so as to select the best option; and (iii) to form a summary report on the tender results, and enter into a contract with the winning bidder after approval by the Company's management. In the event that the Company would be aware of that the terms to be provided by the Lessors are less favourable than any other independent third parties, the Company shall have the right to negotiate with the Lessors on an arm's length basis and the Lessors shall agree to revise the relevant terms to ensure that the Company may execute the Finance Lease Business Framework Agreement in accordance with terms not less favourable than the financing lease terms provided by any other independent third party(ies).

3. The existing benchmark interest rates for RMB-denominated loans published by PBOC are as follows:
 - 4.35% for loans with terms not more than six months;
 - 4.35% for loans with terms over six months but not more than one year;
 - 4.75% for loans with terms over one year but not more than three years;
 - 4.75% for loans with terms over three years but not more than five years; and
 - 4.90% for loans with terms over five years.

4. There is currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the separate written contract(s) under the Finance Lease Business Framework Agreement, the Lessors and Lessees will determine the handling fee by reference to such rate, which will be given priority over the rates adopted by other major financial institutions, accordingly.
5. In determining the interest rate or amounts of the handling fee and purchase option, the Lessors will conduct an overall return assessment after considering, inter alia, the prevailing rates of PBOC or the major financial institutions, as the case may be, so as to meet their own return requirements and the credit risk assessment to the relevant Finance Lease. Therefore, the pricing with respect to such aspects of each Finance Lease will be determined on a case by case basis.
6. Since the Leasing Equipment has no residual value upon the expiry of the lease period, the Lessees intend to set the nominal price of the purchase option at RMB1.00.

(2) Implication of IFRS 16 (Leases) on the Finance Leasing Arrangement of the Company

The Company adopted, among others, 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 the underlying asset is available for use). Right-of-use assets are measured at the amount of cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement 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 lease commencement date if the interest rate implicit in the lease is not readily determinable.

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

(3) Historical Amounts

According to the CDC Finance Lease Framework Agreement and the New CDC Finance Lease Framework Agreement entered into between the Company and DFL on 12 October 2015 and 29 September 2017, respectively, and the Shanghai Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement entered into between the Company and Shanghai Leasing Company on 12 October 2015 and 29 September 2017, respectively, the table below sets out the annual caps for the four years ended 31 December 2017, 2018, 2019 and 2020:

	Annual cap for the year ended 31 December 2017	Annual cap for the year ended 31 December 2018	Annual cap for the year ended 31 December 2019	Annual cap for the year ending 31 December 2020
New CDC Finance Lease Framework Agreement:				
Annual cap for Leasing Equipment under Finance Lease	RMB4,500 million	RMB2,000 million	RMB3,000 million	RMB3,000 million
Annual cap for rents under Finance Lease	RMB250 million	RMB100 million	RMB150 million	RMB150 million
New Shanghai Finance Lease Framework Agreement:				
Annual cap for Leasing Equipment under Finance Lease	RMB2,000 million	RMB2,000 million	RMB3,000 million	RMB3,000 million
Annual cap for rents under Finance Lease	<u>RMB150 million</u>	<u>RMB100 million</u>	<u>RMB150 million</u>	<u>RMB150 million</u>

The table below sets out the historical amounts for the three years ended 31 December 2017, 2018 and 2019 and the eight months ended 31 August 2020:

	Historical amount for the year ended 31 December 2017	Historical amount for the year ended 31 December 2018	Historical amount for the year ended 31 December 2019	Historical amount for the eight months ended 31 August 2020
New CDC Finance Lease				
Framework Agreement:				
Actual amount for Leasing Equipment under Finance Lease	Nil	RMB816.46 million	RMB1,795 million	RMB429.89 million
Actual rents under Finance Lease	Nil	RMB73.46 million	RMB126 million	RMB83.5 million
New Shanghai Finance Lease				
Framework Agreement:				
Actual amount for Leasing Equipment under Finance Lease	Nil	RMB138.99 million	RMB1,864 million	RMB667.72 million
Actual rents under Finance Lease	Nil	RMB2.95 million	RMB51 million	RMB83.10 million

(4) Proposed Annual Caps

Pursuant to the Listing Rules, the direct lease is deemed as the acquisition of assets by the Group, and the sale and lease-back constitutes the sale of assets by the Group. The table below sets out the proposed annual caps of the direct lease and the sale and lease-back for the three years ending 31 December 2021, 2022 and 2023:

	Proposed annual cap for the year ending 31 December 2021	Proposed annual cap for the year ending 31 December 2022	Proposed annual cap for the year ending 31 December 2023
Newly-added direct lease	RMB3,500 million	RMB3,500 million	RMB3,500 million
Newly-added sale and lease-back	RMB2,500 million	RMB2,500 million	RMB2,500 million

(5) Basis for Determination of the Annual Caps

In determining the abovementioned annual caps, we have considered, among others:

- (1) historical amount of the finance lease business for the two years ended 31 December 2018 and 2019 and the eight months ended 31 August 2020 calculated in accordance with IFRS 16 as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the eight months ended 31 August 2020
Direct lease	–	RMB983 million	RMB580 million
Sale and lease-back	<u>RMB955 million</u>	<u>RMB2,476 million</u>	<u>RMB517 million</u>

- (2) current conditions in financing market (including interest level and the level of similar services provided by independent third parties) and the possibility of future adjustment on the three-year term annual loan interests denominated in RMB by PBOC:

For recent years, the benchmark lending rates published by PBOC constantly kept at a level of approximately 4.0%, and the Company registered and issued tranches of ultra-short-term financing debentures, short-term financing debentures and green corporate bonds to supplement its working capital and to purchase equipment for its normal business. However, the current benchmark lending rates have been raised up to approximately 4.8%, thus the cost for issue financing debentures or bonds is much higher than before. The transactions contemplated under the Finance Lease Business Framework Agreement may allow the Company to have a lower fee charge than those purchased by loans or provided by independent third parties.

- (3) historical cash flow for the three years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020 as disclosed in the corresponding annual report and/or interim report of the Company:

The Group will be able to mitigate the pressure on the cash flow for the acquisition of assets by giving less preceded funds to purchase the required production equipment or assets. In the year of implementing Finance Lease, the cash flow of the Group was relatively normal, while the cash flow was relatively tight in the year of non- implementing Finance Lease. As a fund raising and financing instrument, Finance Lease will be propitious to further optimize the Company's financial structure and improve the current cash flow performance.

- (4) constantly increasing financing needs and future development prospects of the Group:

The installed capacity of the Group maintained a high growth in recent years. During the period ended 30 June 2020, the Group's consolidated installed capacity amounted to 9,902.72MW, representing an increase of 10.44% over the same period last year. In the first half of 2020, 1,180 MW of bidding and parity projects of the Group were newly added. After considering the current conditions in financing market as disclosed in Item (2), the Group has to acquire new wind turbines by way of finance lease and obtain lower interest rate so as to minimise the costs in the process of development of the Company. The Group expects to continue to invest in increasing its installed capacity and construction of wind farms. In determining the annual caps, the Company has taken into account that such expansion would lead to an increase of financing needs of the Group.

(6) Reasons for and Benefits of Entering into the Finance Lease Business Framework Agreement

The transactions under the Finance Lease Business Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stay high; and (2) facilitate the smooth development and operation of the Group's business.

The Directors (excluding connected Directors, but including the independent non-executive Directors) consider that the Finance Lease Business Framework Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(7) Listing Rules Implications

As at the the date of this announcement, since 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. CDC Capital Holding is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Finance Lease Business Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the entering into of the Finance Lease Business Framework Agreement and the transactions contemplated thereunder are more than 5%, such transaction is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as one or more of the percentage ratio(s) applicable to the transactions under the Finance Lease Business Framework Agreement are more than 25% but less than 75%, such transactions constitute major transactions of the Company that are subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(8) Internal Control Procedures and Corporate Governance Measures

The Company will adopt internal control and monitoring procedures relating to the finance leasing services, including:

- (i) The Finance Lease Business Framework Agreement will be conducted on a non-exclusive basis;
- (ii) Before entering into any separate leasing agreements with the Lessors, the Company will obtain quotations from at least two independent third parties who could provide the same or similar types of finance leasing services and negotiate with the Lessors on an arm's length basis in respect of the interest rate (including the handling fees) of the finance leasing services, and ensure that such interests (1) are not higher than the interests (including the handling fees and other fees) provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rates for RMB- denominated loans then published by PBOC for a similar term and in case of no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions for same or similar types of services. If the Company becomes aware that the interests charged by the Lessors are less favourable to the Company than those charged by any other independent third party on similar terms and conditions, the Company shall have the right to negotiate with the Lessors on an arm's length basis and the Lessors shall agree to adjust the interests of finance leasing services such that the interests charged under the Finance Lease Business Framework Agreement are not less favourable to the Company than those charged by any other independent third party for finance leasing services in the market;

- (iii) Before entering into any Specific Agreement(s) with the Lessors, the legal department of the Company will review the Specific Agreement(s) to ensure the major terms are in compliance with the relevant terms of the Finance Lease Business Framework Agreement;
- (iv) The financial management department of the Company has established relevant supervisory system, and each relevant financial officer of the Group who has entered into the Specific Agreement(s) will report the amount for Leasing Equipment under Finance Lease and the rents under Finance Lease to the financial management department of the Company on a daily basis and the financial management department of the Company will strictly control the balance caps, to ensure the relevant proposed annual caps will not be exceeded;
- (v) The financial management department of the Company will prepare the monthly statement and analysis report, and report the specific financing situation of the current month to the management of the Company (including the general manager, the deputy general manager, the secretary to the Board, the chief accountant and the chief engineer) every month, including the analysis on the amount for Leasing Equipment under Finance Lease and the rents under Finance Lease under the Finance Lease Business Framework Agreement, as well as the financial costs saved due to the entering into of the Finance Lease Business Framework Agreement as compared to the Company's weighted average interest rate of loans of the current month. The Company's weighted average interest rate of loans of the current month mentioned above represents the weighted average interest rate of loans of various financings from various parties (including independent third parties and the connected/related parties of the Company) to be updated by the Company every month;
- (vi) The independent non-executive Directors of the Company review the Finance Lease Business Framework Agreement and the continuing connected transactions contemplated thereunder on an annual basis and listen to the report by the secretary to the Board and chief accountant of the Company to ensure that the relevant agreements are entered into on normal commercial terms and are fair and reasonable and conducted in accordance with the terms set out therein; and
- (vii) The auditors of the Company will perform annual reviews on the pricing and annual caps of such continuing connected transactions.

(9) Opinion of the Board

Having considered the above-mentioned pricing policies and basis for determination of proposed annual caps and reasons for and benefits of conducting the Finance Lease Business Framework Agreement, the Directors (excluding connected Directors, but including independent non-executive Directors) are of the view that the terms of the Finance Lease Business Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

As Mr. Kou Wei, Mr. Li Yi and Mr. Liu Baojun, being connected Directors by virtue of their positions in CDC Group, they have abstained from voting on the resolution in relation to consideration and approval of the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof at the Board meeting. Saved as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof.

(10) Approval by Independent Shareholders

Since the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof are subject to the Independent Shareholders' approval, the Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof. Gram Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders of the Company on the same issue.

In view of the material interests of CDC in the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof, CDC and its associates (holding an aggregate of approximately 65.61% of the issued share capital of the Company as at the the date of this announcement) are required to abstain from voting on the resolution to be proposed at the EGM to approve the transactions contemplated under the Finance Lease Business Framework Agreement and the proposed annual caps thereof.

As at the the date of this announcement, to the best knowledge, information and belief of the Directors, save as disclosed in this announcement, no other Shareholders are required to abstain from voting on relevant resolution.

(11) General Information

Information on the Company

For details of the Company's information, please refer to page 14 of this announcement.

Information on CDC

For details of CDC's information, please refer to page 15 of this announcement.

Information on CDC Capital Holding

CDC Capital Holding is a limited liability company incorporated in the PRC in November 2011. CDC Capital Holding is principally engaged in investment management; asset management; investment consultation.

III. EGM

The EGM will be held by the Company to consider and approve the transactions contemplated under the Financial Services Agreement and Finance Lease Business Framework Agreement, respectively, and their respective proposed annual caps. As additional time is required for the Company to prepare and finalise relevant information to be included in the circular, a circular containing, among other things, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice convening the EGM is expected to be despatched to the Shareholders according to the Listing Rules on or before 20 November 2020.

IV. DEFINITIONS

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

“Articles”	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
“associate(s)”	has the meaning ascribed under the Listing Rules
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“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
“CDC Group”	CDC and its subsidiaries, excluding the Group
“China” or “PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan for the purpose of this announcement
“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)
“connected directors”	any director who is considered to have a material interest in the Financial Services Agreement and the Finance Lease Business Framework 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
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CDC Capital Holding”	China Datang Corporation Capital Holding Co. Limited (中國大唐集團資本控股有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CDC
“Datang Finance”	China Datang Finance Co., Ltd.* (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability and a controlling subsidiary of CDC
“DFL”	Datang Finance Leasing Co., Ltd.* (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CDC Capital Holding
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for and credited as fully paid in RMB by PRC citizens and/or PRC incorporated entities
“Finance Lease”	the provision of finance lease on any Leasing Equipment by the lessor to any member of the Group pursuant to the Finance Lease Business Framework Agreement and other related services as may be agreed between the lessor and any member of the Group or the Company
“Finance Lease Business Framework Agreement”	the finance lease business framework agreement entered into by the Company and CDC Capital Holding on 20 October 2020
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange (stock code: 01798)
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	Independent Board Committee of the Company, comprising Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun, all being independent non-executive Directors of the Company, which has been formed to advise the Independent Shareholders in respect of the deposit services under the Financial Services Agreement and the transactions contemplated under the Finance Lease Business Framework Agreement and its proposed annual caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services under the Financial Services Agreement and the transactions contemplated under the Finance Lease Business Framework Agreement and its proposed annual caps
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM or any adjourned meeting thereof for the relevant resolutions in respect of the deposit services under the Financial Services Agreement and the transactions contemplated under the Finance Lease Business Framework Agreement and its proposed annual caps
“Leasing Equipment”	any turbine, machinery, equipment or other property to be leased to the members of the Group or the Company by the lessor or to be sold by the members of the Group or the Company to, and then leased back from the lessor
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as supplemented or revised in other ways from time to time)
“major transaction(s)”	has the meaning ascribed under the Listing Rules
“Financial Services Agreement”	the financial services agreement entered into by the Company and Datang Finance on 20 October 2020

“PBOC”	People’s Bank of China (中國人民銀行), the central bank of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Leasing Company”	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CDC Capital Holding
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed under the Listing Rules
“%”	per cent

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

Beijing, the PRC, 20 October 2020

As at the date of this notice, 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*