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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)**

**DISCLOSEABLE TRANSACTION AND  
CONNECTED TRANSACTION  
ESTABLISHMENT OF A JOINT VENTURE**

**JOINT VENTURE AGREEMENT**

The Board is pleased to announce that, on 28 December 2022, the Company and Datang Xinjiang entered into the Joint Venture Agreement in relation to, among others, the establishment of the JV Company with joint contribution, to jointly develop the Shichengzi “Photothermal + Photovoltaic” Project.

Pursuant to the Joint Venture Agreement, the total project investment amounts to RMB5,120 million (tentative), for which the project capital (i.e. the registered capital of the JV Company) accounts for 30% (i.e. RMB1,536 million) of the total investment, to which the Company will contribute RMB1,351.68 million in cash, representing 88% of the registered capital; and Datang Xinjiang will contribute RMB184.32 million in cash, representing 12% of the registered capital. The difference between the total project investment and the project capital shall be made up for by way of project financing.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, as CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder of the Company as defined under the Listing Rules. As Datang Xinjiang is a wholly-owned subsidiary of CDC, Datang Xinjiang is a connected person of the Company. Therefore, the Joint Venture Agreement entered into between the Company and Datang Xinjiang constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Joint Venture Agreement exceeds 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 the highest applicable percentage ratio in respect of the transaction contemplated under the Joint Venture Agreement exceeds 5% but is less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

### **APPROVAL BY THE BOARD AND INDEPENDENT SHAREHOLDERS**

Having considered the reasons for and benefits of entering into the Joint Venture Agreement stated above, the Directors (excluding the connected Directors, but including the independent non-executive Directors) are of the view that the terms of the Joint Venture Agreement are fair and reasonable and the transaction contemplated thereunder is on normal commercial terms as well as in the interest of the Company and the Shareholders as a whole, notwithstanding that the transaction contemplated under the Joint Venture Agreement is not conducted in the ordinary and usual course of business of the Company.

Directors Mr. Liu Jianlong, Mr. Wang Qiying, Mr. Yu Fengwu, Mr. Ye Heyun and Mr. Kuang Lelin, being the connected Directors by virtue of their positions in CDC Group, have abstained from voting on the resolution in respect of considering and approving the Joint Venture Agreement at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the Joint Venture Agreement and was required to abstain from voting on the resolution at the Board meeting.

As the transaction contemplated under the Joint Venture Agreement is subject to the 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 transaction contemplated under the Joint Venture Agreement. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matter.

## **EGM**

The EGM will be held by the Company to consider and approve the transaction contemplated under the Joint Venture Agreement. 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 29 December 2022.

## **JOINT VENTURE AGREEMENT**

The Joint Venture Agreement was entered into between the Company and Datang Xinjiang on 28 December 2022, in relation to, among others, the establishment of the JV Company with joint contribution, to jointly develop the Shichengzi “Photothermal + Photovoltaic” Project. Upon completion of the transaction, the Company and Datang Xinjiang will hold 88% and 12% of the equity interests in the JV Company, respectively, and the JV Company will become a subsidiary of the Company.

The major terms of the Joint Venture Agreement are as follows:

- Date:** 28 December 2022
- Parties:** The Company and Datang Xinjiang
- Total Project Investment:** RMB5,120 million (tentative), for which the project capital (i.e. the registered capital of the JV Company) accounts for 30% (i.e. RMB1,536 million) of the total investment. The difference between the total project investment and the project capital shall be made up for by way of project financing.
- Amount of Capital Contribution:**
- (a) the Company will contribute RMB1,351.68 million in cash, representing 88% of the registered capital;
  - (b) Datang Xinjiang will contribute RMB184.32 million in cash, representing 12% of the registered capital.

The project capital and the amount of capital contribution of both parties under the Joint Venture Agreement are determined after arm's length negotiation between both parties and with reference to various factors, including nature of the business, demand for working capital and future development plans of the JV Company.

**Way of Capital Contribution:** Contribution in monetary currency by both parties

**Time of Capital Contribution:** Datang Xinjiang shall make a one-off payment of its subscribed capital contribution of RMB184.32 million within 30 days after the registration and establishment of the JV Company.

Subject to the obtaining of the approval for the commencement of construction of the Shichengzi "Photothermal + Photovoltaic" Project, the Company shall pay the capital contribution in batches and in full based on the progress of the development and construction of the project and application for the capital requirement of the JV Company, and shall pay its subscribed capital contribution of RMB1,351.68 million in full by 30 June 2025.

**Nature of the Joint Venture:** Limited liability company

**Scope of Business:** Investment and development, construction and operation management of wind power and photovoltaic new energy power projects; production, overhaul and maintenance of wind power and photovoltaic power generation, as well as power storage; sales of power materials and equipment; power technology consulting services; power sales business. (Subject to the business license for enterprise legal person issued.)

**Corporate Governance:**

The JV Company is proposed to set up a board of directors consisting of five directors, among which, the Company is proposed to appoint three directors and Datang Xinjiang is proposed to appoint one director, subject to election at the shareholders' meeting of the JV Company, and another one shall be an employee director to be elected by the employee representatives meeting of the JV Company. The board of directors is proposed to have one chairman, who shall be the director recommended by the Company.

The JV Company is proposed to set up a supervisory committee consisting of three supervisors, among which, each of the Company and Datang Xinjiang is proposed to appoint one supervisor, respectively, subject to election at the shareholders' meeting of the JV Company, and another one shall be an employee supervisor to be elected by the employees representatives meeting of the JV Company. The supervisory committee is proposed to have one chairman to be elected by a majority of all supervisors.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT**

Up to now, the Company has not developed any new energy projects in Xinjiang. The cooperation with Datang Xinjiang will be conducive to leveraging the geographical advantages and past experience in developing new energy projects in Xinjiang of Datang Xinjiang to improve the Company's development efficiency in Xinjiang, promote the Company's active participation in the construction of large base projects in Xinjiang, achieve a zero breakthrough in new energy projects in Xinjiang for the Company, and bring new opportunities for the subsequent development of new energy projects in Xinjiang.

The entering into of the Joint Venture Agreement to establish the JV Company (i.e. Datang Hami New Energy Co., Ltd.\* (大唐哈密新能源有限公司)) is conducive to promoting the development and construction of the Shichengzi "Photothermal + Photovoltaic" Project, which is in line with the development strategy of the Company and the national development goal of "carbon dioxide peaking and carbon neutralization", and is conducive to improving the equity installed capacity of the Company and promoting the high quality development of the Company.

In addition, the establishment of the JV Company enables the Company (as the controlling investor) to expand the consolidated installed capacity of the Company, further give play to its financing capabilities in capital market and expand reproduction, so as to better deliver return to investors of the Company.

The Directors (excluding the connected Directors, but including the independent non-executive Directors) are of the view that the terms of the Joint Venture Agreement are entered into on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole, notwithstanding that the transaction contemplated under the Joint Venture Agreement is not conducted in the ordinary and usual course of business of the Company.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, as CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder of the Company as defined under the Listing Rules. As Datang Xinjiang is a wholly-owned subsidiary of CDC, Datang Xinjiang is a connected person of the Company. Therefore, the Joint Venture Agreement entered into between the Company and Datang Xinjiang constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Joint Venture Agreement exceeds 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 the highest applicable percentage ratio in respect of the transaction contemplated under the Joint Venture Agreement exceeds 5% but is less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the announcement requirement but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **OPINION OF THE BOARD**

Having considered the reasons for and benefits of entering into the Joint Venture Agreement stated above, the Directors (excluding the connected Directors, but including the independent non-executive Directors) are of the view that the terms of the Joint Venture Agreement are fair and reasonable and the transaction contemplated thereunder is on normal commercial terms as well as in the interest of the Company and the Shareholders as a whole, notwithstanding that the transaction contemplated under the Joint Venture Agreement is not conducted in the ordinary and usual course of business of the Company.

Directors Mr. Liu Jianlong, Mr. Wang Qiying, Mr. Yu Fengwu, Mr. Ye Heyun and Mr. Kuang Lelin, being the connected Directors by virtue of their positions in CDC Group, have abstained from voting on the resolution in respect of considering and approving the Joint Venture Agreement at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the Joint Venture Agreement and was required to abstain from voting on the resolution at the Board meeting.

## **APPROVAL BY INDEPENDENT SHAREHOLDERS**

As the transaction contemplated under the Joint Venture Agreement is subject to the 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 transaction contemplated under the Joint Venture Agreement. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same matter.

In view of the material interest of CDC in the transaction contemplated under the Joint Venture Agreement, CDC and its associate (holding 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 transaction contemplated under the Joint Venture Agreement.

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

## **GENERAL INFORMATION**

### **Information on the Company**

The Company is a joint stock limited company incorporated in the PRC in September 2004. The Group is primarily engaged in the development, investment, construction and management of wind power and other renewable energy resources; 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.

## **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, examination 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 Xinjiang**

Datang Xinjiang is a limited liability company incorporated in the PRC in March 2008 and is a wholly-owned subsidiary of CDC. Datang Xinjiang is mainly responsible for the development, construction, operation and management of power and energy in Xinjiang.

## **EGM**

The EGM will be held by the Company to consider and approve the transaction contemplated under the Joint Venture Agreement. 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 29 December 2022.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 it is a controlling shareholder of the Company



“CDC Group”	CDC and its associates, excluding the Group
“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 Director(s)”	any Director who is considered to have a material interest in the Joint Venture 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 Xinjiang”	Datang Xinjiang Power Generation Co., Ltd.* (大唐新疆發電有限公司), a limited liability company incorporated in the PRC, and is a wholly-owned subsidiary of CDC
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 first extraordinary general meeting to be convened by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Lo Mun Lam, Raymond, Mr. Yu Shunkun and Mr. Qin Haiyan, all being independent non-executive Directors of the Company, which has been formed to advise the Independent Shareholders in respect of the transaction contemplated under the Joint Venture Agreement

“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 transaction contemplated under the Joint Venture Agreement
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM or any adjourned meeting thereof on the relevant resolution in respect of the transaction contemplated under the Joint Venture Agreement
“Joint Venture Agreement”	the Capital Contribution Agreement of Datang Hami New Energy Co., Ltd.* (大唐哈密新能源有限公司) entered into between the Company and Datang Xinjiang on 28 December 2022, in relation to, among others, the establishment of the JV Company with joint contribution
“JV Company”	Datang Hami New Energy Co., Ltd.* (大唐哈密新能源有限公司), a company intended to be incorporated in the PRC with limited liability in accordance with the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Share(s)”	the share(s) in the share capital of the Company, with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Shichengzi ‘Photothermal + Photovoltaic’ Project”	Datang Shichengzi 1 million KW “Photothermal + Photovoltaic” integrated clean energy demonstration project, which is located in Yizhou District, Hami City, Xinjiang Uygur Autonomous Region. The Shichengzi “Photothermal + Photovoltaic” Project has a total installed capacity of 1 million KW, including 0.9 million KW of photovoltaic and 0.1 million KW of thermal-storage photothermal, and will be developed and constructed based on the integrated mode of “photovoltaic + photothermal”. The project is scheduled to be completed and put into operation in December 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the Board  
**China Datang Corporation Renewable Power Co., Limited\***  
**Zou Min**  
*Joint Company Secretary*

Beijing, the PRC, 28 December 2022

*As at the date of this announcement, the executive director of the Company is Mr. Liu Guangming; the non-executive directors are Mr. Liu Jianlong, Mr. Wang Qiyang, Mr. Yu Fengwu, Mr. Ye Heyun and Mr. Shi Feng; and the independent non-executive directors are Mr. Lo Mun Lam, Raymond, Mr. Yu Shunkun and Mr. Qin Haiyan.*

\* *For identification purpose only*