

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



大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 00991)

**ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
AND
CONTINUING CONNECTED TRANSACTION
2023 FACTORING BUSINESS COOPERATION AGREEMENT**

2023 FACTORING BUSINESS COOPERATION AGREEMENT

Reference is made to the announcement dated 21 May 2020 published by the Company in respect of, among other things, the 2020 Factoring Business Cooperation Agreement.

The 2020 Factoring Business Cooperation Agreement will expire on 28 June 2023. To further strengthen the cooperation and diversify financing sources, the parties intend to continue to enter into transactions of a similar nature from time to time after 28 June 2023. The Board hereby announces that on 21 February 2023, the Company entered into the 2023 Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company shall provide factoring business support to the Company and its subsidiaries for an aggregate amount of not exceeding RMB2 billion every 12 months for 36 months from the effective date of the 2023 Factoring Business Cooperation Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC, the controlling shareholder of the Company, together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company. Since Datang Factoring Company is a subsidiary of CDC, Datang Factoring Company is a connected person of the Company. Accordingly, the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the 2023 Factoring Business Cooperation Agreement should be aggregated with the Previous Transactions and treated as if they were one transaction.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2023 Factoring Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 5%, the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder are subject to the requirements of reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2023 Factoring Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 5% but less than 25%, the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The independent board committee (comprising all the independent non-executive Directors) will be formed soon to advise the Independent Shareholders on the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder.

The Company will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders on the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder.

DESPATCH OF CIRCULAR

A circular containing details of the 2023 Factoring Business Cooperation Agreement, a letter from the independent board committee and a letter from the independent financial adviser, both advising on the terms of the 2023 Factoring Business Cooperation Agreement, will be despatched to the Shareholders in compliance with the Listing Rules. As additional time is required by the Company to select and engage an independent financial adviser as well as to prepare the information to be included in the circular, the circular is expected to be despatched to the Shareholders on or before 20 April 2023. If it is expected that there will be a delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

2023 FACTORING BUSINESS COOPERATION AGREEMENT

Date

21 February 2023

Parties

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

Subject Matter

Pursuant to the 2023 Factoring Business Cooperation Agreement, Datang Factoring Company shall provide factoring business support to the Company and its subsidiaries for an aggregate amount of not exceeding RMB2 billion every 12 months for 36 months from the effective date of the 2023 Factoring Business Cooperation Agreement.

The parties may, during the term of the agreement, enter into specific factoring contracts in accordance with the terms of the 2023 Factoring Business Cooperation Agreement, and such specific factoring contracts shall be subject to the terms of the 2023 Factoring Business Cooperation Agreement.

Term of the Agreement

A term of 36 months, commencing from the effective date of the 2023 Factoring Business Cooperation Agreement.

Major Terms of the Agreement

- (1) Subject to compliance with the policies and relevant laws and regulations of the PRC, Datang Factoring Company shall, in accordance with the business requirements of the Company, the supply of and demand for capital in the market as well as the structural features of factoring products, and based on the business principles of Datang Factoring Company, provide factoring business support (including but not limited to businesses such as account receivables factoring and reverse factoring) to the Company and its subsidiaries in respect of the key investment and construction projects in sectors such as thermal power, hydropower, wind power and recycling economy for an aggregate amount of not exceeding RMB2 billion every 12 months.
- (2) Leveraging on its professional advantage in finance, Datang Factoring Company shall provide the Company with various consulting services in respect of the design of account receivables factoring products and the transactional arrangements, etc.
- (3) Datang Factoring Company shall, in accordance with the requirements of the Company and after comprehensively considering the factors such as relevant policies and laws and regulations of the PRC, the supply of and demand for capital in the market as well as the structural features of factoring products, provide the Company with the most favourable rates. The general rates shall be equivalent to or more favourable than those offered by other domestic commercial factoring companies.

- (4) The agreement shall only become effective when it is duly signed by the parties and affixed with their respective company seals and upon the approval by the Independent Shareholders at the general meeting of the Company. The effective date shall be the date of approval at the general meeting of the Company or 29 June 2023, whichever is later.

Pricing Policy and Internal Control Measures

Datang Factoring Company shall provide the Company with the most favourable rates according to the requirements of the Company and comprehensively considering the relevant policies and laws and regulations of the PRC, the supply of and demand for capital in the market as well as the structural features of factoring products. The general rates shall be equivalent to or more favourable than those offered by other domestic commercial factoring companies. Datang Factoring Company shall help the Company to reduce the finance costs and optimise the financial structure while ensuring that the capital needs of the Company are met.

Prior to cooperation with Datang Factoring Company, the Company shall collect information about the terms and conditions of the relevant transactions and their respective interest rates from other domestic commercial factoring companies that are independent of the Company and its connected persons, and compare them with the benchmark interest rates on term loans issued by the People's Bank of China to ensure that the Company is offered with the most favourable terms and the general rates of the relevant transactions shall be equivalent to or more favourable than those offered by the other domestic commercial factoring companies, and strive for the maximization of the Company's overall interests.

Historical Transactions

The historical transactions of factoring business between the Company and Datang Factoring Company under the 2020 Factoring Business Cooperation Agreement for the periods indicated below are as below:

	From 29 June 2020 to 31 December 2020	From 1 January 2021 to 31 December 2021	From 1 January 2022 to 31 December 2022	From 1 January 2023 to the date of this announcement
Historical transaction amounts	RMB0.460 billion	RMB0.554 billion	RMB1.265 billion	RMB0.300 billion
Annual caps	RMB1.2 billion	RMB2.0 billion	RMB2.0 billion	RMB0.8 billion

Annual Caps

The Company expects that the annual caps of the proposed transactions under the 2023 Factoring Business Cooperation Agreement are as follows:

	From the effective date of the agreement to 31 December 2023	From 1 January 2024 to 31 December 2024	From 1 January 2025 to 31 December 2025	From 1 January 2026 to the date of expiration of the agreement
Factoring business	RMB1 billion	RMB2 billion	RMB2 billion	RMB1 billion

The above proposed annual caps are mainly determined with reference to the following factors: after comprehensively considering existing business and future business growth scale of the Company and other factors, (i) it is anticipated that the total amount of account receivables and account payables of the Company every year for the period between 2023 to 2026 will be approximately RMB50 billion; (ii) the financing term of factoring business is relatively short, which can meet the short-term working capital demand.

The Directors (including the independent non-executive Directors) consider that the above proposed annual caps are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 FACTORING BUSINESS COOPERATION AGREEMENT

The relevant arrangements under the 2023 Factoring Business Cooperation Agreement are beneficial to the Company and its subsidiaries to further expand financing channels, increase funding sources and improve the overall level and efficiency of corporate capital operation, as well as efficiently and conveniently obtain low-cost financing by making good use of the resources and business advantages of Datang Factoring Company, so as to promote the Company's business development.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the 2023 Factoring Business Cooperation Agreement are fair and reasonable, such agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company after arm's length negotiations, and such agreement is in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL

Internal Control Policy to Monitor Annual Caps

According to the requirements of management system of the connected transactions of the Company, the finance management department of the Company is responsible for monitoring the transaction amounts relating to the proposed annual caps under the 2023 Factoring Business Cooperation Agreement by building up management accounts for continuing connected transactions and designating personnel for management and maintenance, and consolidating and preparing statistics for the transaction amounts incurred in the continuing connected transactions on a monthly basis. The Company will re-comply with the necessary approval procedures in accordance with the Listing Rules in respect of continuing connected transactions that are expected to exceed their annual caps.

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

If it is anticipated that any of the annual caps under the 2023 Factoring Business Cooperation Agreement will be exceeded during the term of the 2023 Factoring Business Cooperation Agreement, the Company will re-comply with the applicable compliance obligations at applicable percentage ratios under Chapter 14A of the Listing Rules based on revised annual caps under the 2023 Factoring Business Cooperation Agreement.

Annual Review of Continuing Connected Transactions by External Auditors

The external auditors of the Company will issue a letter to the Board regarding the continuing connected transactions of the Company annually pursuant to the Listing Rules, reporting the Company's pricing policies and annual caps of continuing connected transactions conducted during the previous financial year (including the transactions contemplated under the 2023 Factoring Business Cooperation Agreement).

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

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

APPROVAL OF THE BOARD

The ninth meeting of the eleventh session of the Board has considered and approved the Resolution on Entering into the Factoring Business Cooperation Agreement with Datang Commercial Factoring Company Limited, details of which were set out in the overseas regulatory announcement of the Company dated 21 February 2023.

None of the Directors has any material interest in the 2023 Factoring Business Cooperation Agreement. Mr. Ying Xuejun, Mr. Li Jingfeng and Mr. Tian Dan, the connected Directors, have abstained from voting on the relevant resolution in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

INFORMATION OF THE RELEVANT PARTIES

1. The Company was established in December 1994 and is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power related technical services. The main service areas of the Company are in the PRC.
2. CDC was established on 9 March 2003 with registered capital of RMB37 billion. It is principally engaged in the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as the export and import of various commodities and technologies for itself or as agent.
3. Datang Factoring Company is an indirect wholly-owned subsidiary of CDC and has a registered capital of approximately RMB1 billion. Datang Factoring Company was established in April 2018 and is principally engaged in the provision of trade financing by way of acquisition of accounts receivable; the settlement, management and collection of account receivables; the management of sales ledgers; the investigation and evaluation of clients' credit standing and the related consulting services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC, the controlling shareholder of the Company, together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company. Since Datang Factoring Company is a subsidiary of CDC, Datang Factoring Company is a connected person of the Company. Accordingly, the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the 2023 Factoring Business Cooperation Agreement should be aggregated with the Previous Transactions and treated as if they were one transaction.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2023 Factoring Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 5%, the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder are subject to the requirements of reporting, announcement, annual review and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2023 Factoring Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 5% but less than 25%, the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder constitute discloseable transactions under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The independent board committee (comprising all the independent non-executive Directors) will be formed soon to advise the Independent Shareholders on the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder.

The Company will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders on the 2023 Factoring Business Cooperation Agreement and the transactions contemplated thereunder.

DESPATCH OF CIRCULAR

A circular containing details of the 2023 Factoring Business Cooperation Agreement, a letter from the independent board committee and a letter from the independent financial adviser, both advising on the terms of the 2023 Factoring Business Cooperation Agreement, will be despatched to the Shareholders in compliance with the Listing Rules. As additional time is required by the Company to select and engage an independent financial adviser as well as to prepare the information to be included in the circular, the circular is expected to be despatched to the Shareholders on or before 20 April 2023. If it is expected that there will be a delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

DEFINITIONS

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

“2020 Factoring Business Cooperation Agreement”	the factoring business cooperation agreement entered into between the Company and Datang Factoring Company on 21 May 2020
“2023 Factoring Business Cooperation Agreement”	the factoring business cooperation agreement entered into between the Company and Datang Factoring Company on 21 February 2023
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CDC”	China Datang Corporation Ltd., a wholly state-owned company established under the laws of the PRC, whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and is the controlling shareholder of the Company. For details, please refer to the section headed “Information of the Relevant Parties” of this announcement
“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H Shares are listed on the Stock Exchange and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange. For details, please refer to the section headed “Information of the Relevant Parties” of this announcement
“connected person”	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
“Datang Factoring Company”	Datang Commercial Factoring Company Limited (大唐商業保理有限公司), a company established under the laws of the PRC and a subsidiary of CDC. For details, please refer to the section headed “Information of the Relevant Parties” of this announcement
“Director(s)”	the director(s) of the Company

“Independent Shareholder(s)”	Shareholder(s) other than CDC and its associates as well as any other Shareholder who has a material interest in the transactions contemplated under the 2023 Factoring Business Cooperation Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Transactions”	(i) the factoring business contemplated under the leasing and factoring business cooperation agreement entered into between the Company and Shanghai Datang Financial Lease Co., Ltd. on 16 December 2021, details of which were disclosed in the announcement of the Company dated 16 December 2021 and the circular dated 10 January 2022; and (ii) the factoring business contemplated under the financial business cooperation agreement entered into between the Company and Datang Finance Leasing Company Limited on 16 June 2022, details of which were disclosed in the announcement dated 16 June 2022 and the circular of the Company dated 28 July 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Sun Yanwen
Joint Company Secretary

Beijing, the PRC, 21 February 2023

As at the date of this announcement, the Directors of the Company are:

Liang Yongpan, Ying Xuejun, Xiao Zheng, Li Jingfeng, Tian Dan, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing, Niu Dongxiao, Zong Wenlong*, Si Fengqi*, Zhao Yi* , Zhu Dahong**

* *Independent non-executive Directors*