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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
CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT**

CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, on 24 November 2023, CDC, CDC Capital Holding, Datang Power, Datang Overseas HK, Datang Renewables HK and Datang Finance Leasing entered into the Capital Increase Agreement, in relation to, among others, (i) CDC agreed to make a capital contribution by way of injection of its 30% equity interest held in Shanghai Leasing Company, at the value of RMB537,668,604, to subscribe for all the additional registered capital of Datang Finance Leasing, and (ii) CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewables HK agreed to waive their pre-emptive rights in respect of the Capital Increase.

Upon completion of the Capital Increase, the shareholding ratio of Datang Renewables HK in Datang Finance Leasing will decrease from 20% to 17.25%.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Datang Renewables HK is a wholly-owned subsidiary of the Company. Since CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is the controlling shareholder of the Company as defined under the Listing Rules, and thus a connected person of the Company. CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Finance Leasing are all subsidiaries of CDC, and thus they are also connected persons of the Company. Therefore, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

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The major terms of the Capital Increase Agreement are as follows:

Date

24 November 2023

Parties

- (1) CDC;
- (2) CDC Capital Holding;
- (3) Datang Power;
- (4) Datang Overseas HK;
- (5) Datang Renewables HK; and
- (6) Datang Finance Leasing.

Nature of the Transaction

1. CDC agreed to make a capital contribution by way of injection of its 30% equity interest held in Shanghai Leasing Company, at the value of RMB537,668,604, to subscribe for all the additional registered capital of Datang Finance Leasing. Of which RMB398,671,007 will be credited to the registered capital of Datang Finance Leasing and RMB138,997,597 will be credited to the capital reserve of Datang Finance Leasing. CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewables HK agreed to waive their pre-emptive rights in respect of the Capital Increase.

The amount of the Capital Increase by CDC was determined after arm's length negotiations among the parties to the agreement in accordance with the appraised value of the 30% equity interest in Shanghai Leasing Company. According to the Asset Valuation Report issued by the Independent Valuer (Guo Zhong Lian Ping Bao Zi (2023) No. 2-1561), as of the Valuation Date, the appraised value of the net assets of Shanghai Leasing Company determined by the Independent Valuer using the asset-based approach was RMB1,792,228,681, and the corresponding appraised value of the 30% equity interest in Shanghai Leasing Company held by CDC was RMB537,668,604.

Under the Capital Increase, the subscription price for each additional RMB1 registered capital is approximately RMB1.3487. The price of the Capital Increase by CDC was determined after arm's length negotiations among the parties to the agreement in accordance with the appraised value of the net assets (net of perpetual bonds) for each RMB1 registered capital of Datang Finance Leasing. According to the Asset Valuation Report issued by the Independent Valuer (Guo Zhong Lian Ping Bao Zi (2023) No. 2-1560), as of the Valuation Date, the appraised value of the net assets (net of perpetual bonds) for each RMB1 registered capital of Datang Finance Leasing determined by the Independent Valuer using the asset-based approach was approximately RMB1.3487.

The amounts of registered capital contributed by, and the shareholding ratios of, each shareholders of Datang Finance Leasing immediately prior to and after the completion of the Capital Increase are set out as below:

Name of shareholders	Registered capital prior to the completion of the Capital Increase (RMB)	Shareholding ratio prior to the completion of the Capital Increase	Newly-added amount in the registered capital (RMB)	Registered capital after the completion of the Capital Increase (RMB)	Shareholding ratio after the completion of the Capital Increase
CDC	–	–	398,671,007	398,671,007	13.75%
CDC Capital Holding	1,000,000,000	40%	–	1,000,000,000	34.50%
Datang Power	500,000,000	20%	–	500,000,000	17.25%
Datang Overseas HK	500,000,000	20%	–	500,000,000	17.25%
Datang Renewables HK	500,000,000	20%	–	500,000,000	17.25%
Total	<u>2,500,000,000</u>	<u>100%</u>	<u>398,671,007</u>	<u>2,898,671,007</u>	<u>100%</u>

- Timing for capital contribution (completion): within 30 days from the effective date of the Capital Increase Agreement, (i) Datang Finance Leasing shall complete the registration procedures for the Capital Increase with the competent administration for market regulation, with which CDC, CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewables HK shall actively cooperate; and (ii) CDC shall procure Shanghai Leasing Company to change the registration of its 30% equity interest to Datang Finance Leasing, with which Datang Finance Leasing shall actively cooperate.
- Profit or loss during the transition period: from the Valuation Date to the Completion Date, any profit or loss arising from the 30% equity interest in Shanghai Leasing Company used by CDC for capital contribution shall be borne or enjoyed by Datang Finance Leasing.

Effective Date of the Capital Increase Agreement

The Capital Increase Agreement shall become effective when it is duly signed by the relevant legal representatives or authorised representatives of the parties and affixed with their respective company chops.

INFORMATION ON DATANG FINANCE LEASING

Datang Finance Leasing is a company with limited liability incorporated in the PRC on 28 November 2012 and is owned as to 40%, 20%, 20% and 20% by CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewables HK, respectively as at the date of this announcement. Datang Finance Leasing is principally engaged in finance leasing business, purchase of the leased property domestically and abroad, treatment of residual value and maintenance of leased property and the consultation on leasing transactions.

The key financial data of Datang Finance Leasing for the years ended 31 December 2021 and 2022 prepared in accordance with the China Accounting Standards for Business Enterprises are set out below:

	Year ended 31 December 2021 <i>(RMB'0,000)</i> <i>(Audited)</i>	Year ended 31 December 2022 <i>(RMB'0,000)</i> <i>(Audited)</i>
Profit before tax	15,018.63	36,605.23
Profit after tax	11,444.31	28,507.48

As at 30 June 2023, the unaudited total assets and net assets of Datang Finance Leasing were approximately RMB22,840.6931 million and RMB6,469.1703 million, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The introduction of CDC as a direct shareholder of Datang Finance Leasing under the Capital Increase can improve the capital structure of Datang Finance Leasing, increase the scale of owner's equity, stabilize the scale of business, and significantly enhance the corporate image of Datang Finance Leasing and its influence in the open market, which will be conducive to expanding financing channels of Datang Finance Leasing and increasing its credit facilities, thereby further reducing its debt ratio and financing costs, enhancing the core competitiveness and profitability of Datang Finance Leasing, and creating greater value for its shareholders. Taking into account the comprehensive factors including the business arrangement and actual situation of the Group, Datang Renewables HK proposes to waive its pre-emptive right in respect of the Capital Increase.

The Directors (excluding connected Directors, but including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreement are entered into on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, notwithstanding that the Capital Increase is not conducted in the ordinary and usual course of business of the Company. Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping and Mr. Shi Feng, being Directors, have abstained from voting on the resolution in relation to the Capital Increase Agreement considered and approved at the Board meeting by virtue of their positions in CDC Group thus being connected Directors. Save as disclosed above, none of the Directors has any material interest in the Capital Increase Agreement and shall abstain from voting on the relevant Board 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 Datang Renewables HK

Datang Renewables HK is a company with limited liability incorporated in Hong Kong in January 2011 and a wholly-owned subsidiary of the Company. It is principally engaged in power and energy project related businesses.

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 CDC Capital Holding

CDC Capital Holding is a company with limited liability incorporated in the PRC in September 2005 and a wholly-owned subsidiary of CDC. It is principally engaged in investment management, asset management, investment enquiries, etc.

Information on Datang Power

Datang Power is a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994 and a subsidiary of CDC, the H shares of which are listed on the Stock Exchange (stock code: 0991) and the London Stock Exchange (stock code: DAT), and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601991). It is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the inspection and maintenance and commissioning of power equipment and power technology related services.

Information on Datang Overseas HK

Datang Overseas HK is a company with limited liability incorporated in Hong Kong and an indirectly wholly-owned subsidiary of CDC. It is primarily engaged in investment, development, construction and management of domestic and overseas power energy; manufacturing, repair and maintenance of power equipment and so forth.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of directors of the Company
“Capital Increase”	pursuant to the Capital Increase Agreement, CDC agreed to make a capital contribution by way of injection of its 30% equity interest held in Shanghai Leasing Company, at the value of RMB537,668,604, to subscribe for all the additional registered capital of Datang Finance Leasing
“Capital Increase Agreement”	the Capital Increase Agreement for Datang Finance Leasing Co., Ltd. entered into among CDC, CDC Capital Holding, Datang Power, Datang Overseas HK, Datang Renewables HK and Datang Finance Leasing on 24 November 2023 in relation to the capital increase by CDC to Datang Finance Leasing

“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 the controlling shareholder of the Company
“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
“CDC Group”	CDC and its subsidiaries, 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, the H shares of which are listed on the Stock Exchange (stock code: 01798)
“Completion Date”	the date on which Shanghai Leasing Company completes the change of registration of its 30% equity to Datang Finance Leasing
“connected Director(s)”	any Director who is considered to have a material interest in the Capital Increase 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”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Datang Finance Leasing”	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 an indirect subsidiary of CDC
“Datang Overseas HK”	China Datang Overseas (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of CDC

“Datang Power”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC and a subsidiary of CDC, the H shares of which are listed on the Stock Exchange (stock code: 0991) and the London Stock Exchange (stock code: DAT), and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601991)
“Datang Renewables HK”	Datang Renewables (H.K.) Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Valuer”	Guozhonglian Asset Valuation and Land and Real Estate Appraisal Co., Ltd., an independent valuer
“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, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan Region
“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, whose ultimate beneficial owner is CDC, and is a subsidiary of CDC
“Shareholder(s)”	the holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“Valuation Date” 31 August 2023

“%” per cent

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

Beijing, the PRC, 24 November 2023

As at the date of this announcement, the executive Director of the Company is Mr. Liu Guangming; the non-executive Directors are Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping 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*