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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 CONNECTED TRANSACTION CAPITAL INCREASE AGREEMENT

CAPITAL INCREASE AGREEMENT

On 24 November 2023, the Company entered into the Capital Increase Agreement with CDC, CDC Capital Holding Company, Datang Overseas Company, Datang Renewables Company and Datang Leasing Company, pursuant to which, CDC agreed to make a capital contribution by way of injection of its 30% equity interest held in Shanghai Datang Leasing Company, at the value of RMB537,668,604, to subscribe for all the newly increased registered capital of Datang Leasing Company, and CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company agreed to waive their pre-emptive rights in respect of the Capital Increase.

As of the date of this announcement, Datang Leasing Company is owned as to 40%, 20%, 20% and 20% by CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company, respectively. Upon completion of the Capital Increase, CDC will hold 13.75% equity interest in Datang Leasing Company, and the equity interest in Datang Leasing Company held by CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company will be correspondingly diluted to 34.50%, 17.25%, 17.25% and 17.25%, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries holds approximately 53.09% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company. As CDC Capital Holding Company, Datang Overseas Company, Datang Renewables Company and Datang Leasing Company are all subsidiaries of CDC, they are also connected persons of the Company. The transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Capital Increase Agreement is more than 0.1% but 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.

Since Datang Leasing Company is not a subsidiary of the Company, the transaction contemplated under the Capital Increase Agreement which will result in a decrease in the Company's shareholding in Datang Leasing Company does not constitute a deemed disposal of the Company under Rule 14.29 of the Listing Rules, thus the transaction contemplated under the Capital Increase Agreement does not constitute a transaction under Chapter 14 of the Listing Rules, and is not subject to relevant requirements under Chapter 14 of the Listing Rules.

CAPITAL INCREASE AGREEMENT

Date

24 November 2023

Parties

1. CDC;
2. CDC Capital Holding Company;
3. The Company;
4. Datang Overseas Company;
5. Datang Renewables Company;
6. Datang Leasing Company.

Major Terms of the Capital Increase Agreement

1. Details of the Capital Increase are as follows:
 - (a) *Increase in registered capital*

The registered capital of Datang Leasing Company shall increase from RMB2,500,000,000 to RMB2,898,671,007. The amount of increase in registered capital is RMB398,671,007.

(b) Mean and amount of the Capital Increase

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

The amount of the Capital Increase is determined after arm's length negotiations among the parties to the agreement based on the appraised value of 30% equity interest in Shanghai Datang Leasing Company. According to the valuation report issued by the Independent Valuer, as of the Valuation Benchmark Date, the appraised value of the net assets of Shanghai Datang Leasing Company determined using the asset-based method was RMB1,792,228,681, and the corresponding appraised value of 30% equity interest held by CDC in Shanghai Datang Leasing Company is RMB537,668,604.

In the Capital Increase, the subscription price for every new registered capital of RMB1 is approximately RMB1.3487. The price of the Capital Increase is determined after arm's length negotiations among the parties to the agreement based on the appraised value of the net assets (after deducting perpetual bonds) for every registered capital of RMB1 of Datang Leasing Company. According to the valuation report issued by the Independent Valuer, as of the Valuation Benchmark Date, the appraised value of the net assets (after deducting perpetual bonds) for every registered capital of RMB1 of Datang Leasing Company determined using the asset-based method is approximately RMB1.3487.

The shareholding structure of Datang Leasing Company before and upon completion of the Capital Increase are set out as below:

Name of shareholder	Capital contribution prior to the completion of the Capital Increase (RMB)	Shareholding prior to the completion of the Capital Increase	Capital contribution to be made (RMB)	Total capital contribution after the completion of the Capital Increase (RMB)	Shareholding after the completion of the Capital Increase
CDC	-	-	398,671,007	398,671,007	13.75%
CDC Capital Holding Company	1,000,000,000	40%	-	1,000,000,000	34.50%
The Company	500,000,000	20%	-	500,000,000	17.25%
Datang Overseas Company	500,000,000	20%	-	500,000,000	17.25%
Datang Renewables Company	500,000,000	20%	-	500,000,000	17.25%
Total	2,500,000,000	100%	398,671,007	2,898,671,007	100%

- Timing of capital contribution (completion): within 30 days from the effective date of the Capital Increase Agreement, (i) Datang Leasing Company shall conduct and complete the registration procedures for the Capital Increase with competing market supervision authority, and CDC, CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company shall provide positive support; and (ii) CDC shall procure Shanghai Datang Leasing Company to change the registration of its 30% equity interest to Datang Leasing Company, and Datang Leasing Company shall provide positive support.
- Profit or loss for the transitional period: within the period from the Valuation Benchmark Date to the Date of Completion, the profit or loss incurring from the 30% equity interest in Shanghai Datang Leasing Company held by CDC for capital contribution, will be borne or enjoyed by Datang Leasing Company.
- Effective date: the Capital Increase Agreement shall become effective upon signing by legal representatives or authorised representatives of the parties to the agreement and affixing of company seals.

INFORMATION ON DATANG LEASING COMPANY

Datang Leasing Company was established on 28 November 2012. Its principal business scope includes financial leasing business; leasing business; acquisition of leased properties from overseas; treatment and maintenance of residual value of leased properties; leasing transaction consulting and engagement of factoring business related to principal businesses. As of the date of this announcement, Datang Leasing Company is held by CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewables Company as to 40%, 20%, 20% and 20%, respectively.

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

	Year ended 31 December 2021	Year ended 31 December 2022
	<i>(RMB'0,000)</i>	<i>(RMB'0,000)</i>
	(Audited)	(Audited)
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 Leasing Company were approximately RMB22,840.6931 million and RMB6,469.1703 million, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

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

The Directors (including independent non-executive Directors) are of the view that the Capital Increase Agreement is entered into on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

APPROVAL BY THE BOARD

The twentieth meeting of the eleventh session of the Board has considered and approved the “Resolution on the Waiver of Capital Increase in Datang Leasing Company”, details of which were set out in the overseas regulatory announcement of the Company dated 23 November 2023.

None of the Directors has any material interest in the Capital Increase Agreement. Mr. Ying Xuejun, Mr. Xiao Zheng, 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 ON THE PARTIES TO THE AGREEMENT

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; power related technical services. The main service areas of the Company are in the PRC.
2. CDC was established on 9 April 2003 with a registered capital of RMB37.0 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 self-operation and agent for the import and export of various commodities and technologies.
3. CDC Capital Holding Company was established on 15 September 2005 with a registered capital of RMB2,000 million. It is principally engaged in investment management, asset management, investment consulting, etc. As of the date of this announcement, CDC Capital Holding Company is a wholly-owned subsidiary of CDC.
4. Datang Overseas Company was established on 21 November 2006. It is principally engaged in the business of investment, development, construction and management of domestic and overseas power and energy; and manufacturing, repair and maintenance of power equipment. As at the date of this announcement, Datang Overseas Company is a wholly-owned subsidiary of China Datang Overseas Investment Co., Ltd., a wholly-owned subsidiary of CDC.
5. Datang Renewables Company was established on 28 January 2011. It is principally engaged in the business related to power and energy projects. As at the date of this announcement, Datang Renewables Company is a wholly-owned subsidiary of China Datang Corporation Renewable Power Co., Limited (1798.HK), a subsidiary of CDC.

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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 Datang Leasing Company, at the value of RMB537,668,604, to subscribe for all the newly increased registered capital of Datang Leasing Company
“Capital Increase Agreement”	the capital increase agreement entered into between the Company, CDC, CDC Capital Holding Company, Datang Overseas Company, Datang Renewables Company and Datang Leasing Company on 24 November 2023 in relation to the Capital Increase

“CDC”	China Datang Corporation Ltd.(中國大唐集團有限公司), 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 on the Parties to the Agreement” in this announcement
“CDC Capital Holding Company”	China Datang Corporation Capital Holding Co., Limited (中國大唐集團資本控股有限公司), a company established under the laws of the PRC with limited liability. For details, please refer to the section headed “Information on the Parties to the Agreement” in 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 on the Parties to the Agreement” in this announcement
“connected person”	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 Leasing Company”	Datang Finance Leasing Co., Ltd. (大唐融資租賃有限公司), a company established under the laws of the PRC with limited liability. For details, please refer to the section headed “Information on Datang Leasing Company” in this announcement
“Datang Overseas Company”	China Datang Overseas (Hong Kong) Co., Limited, a company established in Hong Kong with limited liability. For details, please refer to the section headed “Information on the Parties to the Agreement” in this announcement
“Datang Renewables Company”	Datang Renewables (H.K.) Co., Limited, a company established in Hong Kong with limited liability. For details, please refer to the section headed “Information on the Parties to the Agreement” in this announcement

“Date of Completion”	the day when Shanghai Datang Leasing Company completes the change of registration of its 30% equity interest to Datang Leasing Company
“Director(s)”	the director(s) of the Company
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Datang Leasing Company”	Shanghai Datang Finance Leasing Co., Ltd. (上海大唐融資租賃有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of CDC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Benchmark Date”	31 August 2023
“%”	percent

By order of the Board
Sun Yanwen
Joint Company Secretary

Beijing, the PRC, 24 November 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*