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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 16 October 2018, the Company entered into the Capital Increase Agreement with CDC Capital Holding Company, Datang Overseas Company and Datang Renewable Power Company, pursuant to which the parties agreed to make further capital contribution to Datang Finance Leasing Company in proportion to their respective shareholding in Datang Finance Leasing Company. In particular, the Company agreed to make further capital contribution of RMB100 million to Datang Finance Leasing Company. Upon completion of the capital increase, the accumulated amount of capital contribution of the Company to Datang Finance Leasing Company will become RMB500 million, whereas its shareholding in Datang Finance Leasing Company will remain at 20%.

**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. CDC Capital Holding Company, Datang Overseas Company and Datang Renewable Power Company are subsidiaries of CDC and are therefore connected persons of the Company pursuant to Chapter 14A of the Listing Rules. The transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction under the Capital Increase Agreement is more than 0.1% but less than 5%, and all other applicable percentage ratios are less than 5%, the Capital Increase Agreement is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules and does not require the approval by the independent Shareholders of the Company.

# CAPITAL INCREASE AGREEMENT

## Date

16 October 2018

## Parties

- (1) CDC Capital Holding Company;
- (2) the Company;
- (3) Datang Overseas Company; and
- (4) Datang Renewable Power Company.

## Major Terms of the Capital Contribution Agreement

1. The Company, CDC Capital Holding Company, Datang Overseas Company and Datang Renewable Power Company agreed to make further capital contribution in cash in the total sum of RMB500 million to Datang Finance Leasing Company in proportion to their existing equity holding in Datang Finance Leasing Company. Among which, CDC Capital Holding Company agreed to make further capital contribution in the sum of RMB200 million, the Company agreed to make further capital contribution in the sum of RMB100 million, Datang Overseas Company agreed to make further capital contribution in the sum of RMB100 million (to be settled in U.S. dollar), and Datang Renewable Power Company agreed to make further capital contribution in the sum of RMB100 million (to be settled in U.S. dollar).

Upon completion of the capital increase, the shareholding structure and the capital contribution of each shareholder of Datang Finance Leasing Company are set out as below:

Name of Shareholder	Capital injected prior to the completion of capital increase (RMB million)	Shareholding structure prior to the completion of capital increase	Capital to be injected for the capital increase (RMB million)	Total capital injected after the capital increase (RMB million)	Shareholding structure after the completion of capital increase
CDC Capital Holding Company	800	40%	200	1,000	40%
The Company	400	20%	100	500	20%
Datang Overseas Company	400	20%	100	500	20%
Datang Renewable Power Company	400	20%	100	500	20%
Total	<u>2,000</u>	<u>100%</u>	<u>500</u>	<u>2,500</u>	<u>100%</u>

2. Timing for making the capital injection: The capital shall be paid in full by the parties within two years from the date on which the registered capital of Datang Finance Leasing Company has been changed to RMB2,500 million and the business license has been issued.
3. The parties agree to amend the terms of the Co-investment Contract to reflect the above-mentioned terms numbered (1) and (2).

### **Effective Date**

The Capital Increase Agreement will become effective when it is duly signed by the relevant legal representatives or authorized representatives of the parties and affixed with their respective company chops. Application shall be made for the registration of the change to the relevant registration authority.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT**

The operation and development of Datang Finance Leasing Company is currently stable, however the development and the external financing capabilities of Datang Finance Leasing Company will be limited by low capital, which will impact the capital efficiency and the shareholder's return. Thus, the increase in capital of Datang Finance Leasing Company will elevate its asset size and financing ability, enhance its growth potential and competitiveness, and enables the Company to obtain a better return on investment.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Capital Increase Agreement are normal commercial terms and the transaction is fair and reasonable, and is in the interest of the Company and its Shareholders as a whole.

### **BOARD'S APPROVAL**

None of the Directors have any material interest in the Capital Increase Agreement. Those connected Directors, namely Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan have abstained from voting at the Board meeting for approval of the relevant transaction in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

## **INFORMATION OF THE RELEVANT PARTIES**

### **Datang Finance Leasing Company**

Datang Finance Leasing Company is a company jointly invested by the members of CDC Group with the registered capital of RMB2 billion (before the capital increase set out in this announcement). It is principally engaged in finance leasing business, leasing business, purchase of the leased assets domestically and abroad, and the consultation of the lease transactions.

### **The Company**

The Company 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, with its main service areas being in the PRC.

### **CDC Capital Holding Company**

CDC Capital Holding Company is a wholly-owned subsidiary of CDC. It is principally engaged in investment management, asset management, investment enquiries and etc.

### **Datang Overseas Company**

Datang Overseas Company is a wholly-owned subsidiary of China Datang Overseas Investment Co., Ltd., a 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.

### **Datang Renewable Power Company**

Datang Renewable Power Company is a wholly-owned subsidiary of China Datang Corporation Renewable Power Co., Limited, a subsidiary of CDC. Its business scope principally covers power and energy project related businesses.

## **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. CDC Capital Holding Company, Datang Overseas Company and Datang Renewable Power Company are subsidiaries of CDC and are therefore connected persons of the Company pursuant to Chapter 14A of the Listing Rules. The transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction under the Capital Increase Agreement is more than 0.1% but less than 5%, and all other applicable percentage ratios are less than 5%, the Capital Increase Agreement is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules and does not require the approval by the independent Shareholders of the Company.

## **DEFINITIONS**

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

“Board”	the board of directors
“Capital Increase Agreement”	the “Capital Increase Agreement for Datang Finance Leasing Company” dated 16 October 2018 entered into between the Company, CDC Capital Holding Company, Datang Overseas Company and Datang Renewable Power Company in relation to the capital increase for Datang Finance Leasing Company
“CDC”	China Datang Corporation Ltd. (previously known as China Datang Corporation), a wholly state-owned company established under the laws of the PRC and is the controlling shareholder of the Company. For details, please refer to the section headed “Information of Relevant Parties”
“CDC Group”	CDC’s subsidiaries
“CDC Capital Holding Company”	China Datang Corporation Capital Holding Co., Limited, details of which please refer to the section headed “Information of the Relevant Parties”

“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
“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
“Co-investment Contract”	the co-investment contract (as amended on 5 September 2014) entered into by CDC Capital Holding Company, the Company, Datang Overseas Company and Datang Renewable Power Company in relation to the investment in Datang Finance Leasing Company
“Datang Finance Leasing Company”	Datang Finance Leasing Co., Limited, details of which please refer to the section headed “Information of the Relevant Parties”
“Datang Overseas Company”	China Datang Overseas (Hong Kong) Co., Limited, details of which please refer to the section headed “Information of the Relevant Parties”
“Datang Renewable Power Company”	Datang Renewable Power (Hong Kong) Co., Limited, details of which please refer to the section headed “Information of the Relevant Parties”
“Director(s)”	the director(s) of the Company
“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
“Shareholder(s)”	the shareholders of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

percentage

By Order of the Board

**Ying Xuejun**

*Company Secretary*

Beijing, the PRC, 16 October 2018

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

*Chen Jinhang, Liu Chuandong, Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Zhang Ping, Jin Shengxiang, Liu Jizhen\*, Feng Genfu\*, Luo Zhongwei\*, Liu Huangsong\*, Jiang Fuxiu\**

*\* Independent non-executive Directors*