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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
CONTINUING CONNECTED TRANSACTIONS
FRANCHISING CONTRACTS**

BACKGROUND

Reference is made to the Previous Circular, in which it was disclosed that, on 6 December 2017, the Company entered into the Transfer Agreement with CDC, pursuant to which the Company (as the purchaser) conditionally agreed to acquire the Target Shares from CDC (as the vendor) at an aggregate Consideration of RMB18,127.51 million.

As disclosed in the Previous Circular, the subsidiaries of the Target Companies have entered into various CCT Agreements with the relevant subsidiaries of CDC in the past which will continue to be valid and effective after Completion. Since the Target Companies will become subsidiaries of the Company immediately after the Completion, these agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Save for the Franchising Contracts, the proposed transaction amounts of all other CCT Agreements have already been included in the annual caps under the respective categories of transactions under the Existing Framework Agreements of the Company and the details of such agreements are, therefore, not disclosed in this announcement.

FRANCHISING CONTRACTS

Pursuant to the Franchising Contracts, Certain Power Generation Enterprises of Anhui Company authorised the respective CDC Subsidiaries to carry out the franchising of the Desulfurisation Assets or Denitrification Assets of the corresponding coal-fired power generating units and to invest in, design, construct, operate, maintain and manage the desulfurisation or denitrification facilities during the franchise period. During the franchise period, each of the CDC Subsidiaries shall be entitled to the revenue from the desulfurisation or denitrification tariffs and shall reimburse and compensate Certain Power Generation Enterprises of Anhui Company for the costs incurred, including those for water and electricity, for desulfurisation or denitrification.

LISTING RULES IMPLICATIONS

CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 53.09% of the issued share capital of the Company as at the date of this announcement. As such, CDC is a connected person of the Company and the transactions under the Franchising Contracts constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Franchising Contracts is more than 0.1% and all the applicable percentage ratios are less than 5%, the transactions under the Franchising Contracts are subject to the reporting, annual review and announcement requirements, under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

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As disclosed in the Previous Circular, the subsidiaries of the Target Companies have entered into various CCT Agreements with the relevant subsidiaries of CDC in the past which will continue to be valid and effective after Completion. Since the Target Companies will become subsidiaries of the Company immediately after the Completion, these agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Save for the Franchising Contracts, the transaction amounts of all other CCT Agreements have already been included in the annual caps under the respective categories of transactions under the Existing Framework Agreements of the Company and the details of such agreements are, therefore, not disclosed in this announcement.

FRANCHISING CONTRACTS

Date and Contracting Parties

1. First Franchising Contract

(a) Date: 28 March 2009

(b) Contracting parties: Datang Huainan Luohe Power Plant and China Datang Technologies & Engineering Co., Ltd.

2. *Second Franchising Contract*

- (a) Date: 1 May 2015
- (b) Contracting parties: Datang Huainan Luohe Power Plant and Luohe Project Branch Company of Datang Technology Industry Group Co., Ltd.

3. *Third Franchising Contracts*

- (a) Date: 30 August 2012, 31 May 2015 and 14 December 2015
- (b) Contracting parties: Ma'anshan Dangtu Power Generation Co., Ltd. and Datang Technology Industry Group Co., Ltd.

4. *Fourth Franchising Contracts*

- (a) Date: 18 January 2008, 30 September 2015 and 8 December 2015
- (b) Contracting parties: Anhui Huainan Luoneng Power Generation Co., Ltd. and Luohe Project Branch Company of Datang Environment Industry Group Co., Ltd.

5. *Fifth Franchising Contract*

- (a) Date: 30 August 2012
- (b) Contracting parties: Huainan Tianjia'an Power Plant of the Anhui Electric Power Co., Ltd. and Datang Environment Industry Group Co., Ltd.

6. *Sixth Franchising Contract*

- (a) Date: 21 March 2012
- (b) Contracting parties: Datang Huaibei Power Plant and China Datang Group Environmental Technology Company

7. *Seventh Franchising Contract*

- (a) Date: 31 May 2015
- (b) Contracting parties: Datang Huaibei Power Plant and Datang Technology Industry Group Co., Ltd.

Material Terms of the Franchising Contracts

Certain Power Generation Enterprises of Anhui Company entered into the Franchising Contracts with the CDC Subsidiaries with substantially the same terms, the material terms of which are summarised as follows:

1. *Scope of service:*

Certain Power Generation Enterprises of Anhui Company authorised the respective CDC Subsidiaries to carry out the franchising of the Desulfurisation Assets or Denitrification Assets of the corresponding coal-fired power generating units and to invest in, design, construct, operate, maintain and manage the desulfurisation or denitrification facilities during the franchise period. During the franchise period, the CDC Subsidiaries shall be entitled to the revenue from the desulfurisation or denitrification tariffs and shall reimburse and compensate Certain Power Generation Enterprises of Anhui Company for the costs incurred, including those for water, electricity and gas, for desulfurisation or denitrification.

2. *Desulfurisation or denitrification tariffs:*

Desulfurisation or denitrification tariffs are determined in accordance with the national tariff policy and implemented in accordance with relevant requirements of the PRC when there are changes in the national tariff policy.

The revenue to be received by each of the CDC Subsidiaries from the desulfurisation or denitrification tariffs is calculated as follows:

Desulfurisation or denitrification electricity fee = volume of on-grid power generation × desulfurisation or denitrification tariffs (*Note*)

Note: The revenue from the desulfurisation or denitrification tariff shall be based on the actual settlement amount of power grid enterprises and is subject to deduction according to the fines (if any) imposed by the competent environmental protection authorities as a result of the fault of the CDC Subsidiaries

3. *Settlement of desulfurisation or denitrification electricity fee:*

The power grid company shall pay on-grid electricity fee to Certain Power Generation Enterprises of Anhui Company, which shall accrue from the date when (i) the competent environmental protection authorities have granted acceptance documents for the facilities of the projects after inspection; and (ii) the desulfurisation or denitrification tariffs have been approved by the relevant government authorities.

After receiving such on-grid electricity fee, Certain Power Generation Enterprises of Anhui Company shall transfer revenue from the desulfurisation or denitrification tariffs to the CDC Subsidiaries according to the pricing principle of desulfurisation or denitrification electricity fee as set out in paragraph 2 of this section.

4. *Settlement of water, electricity and gas costs incurred for desulfurisation or denitrification:*

During the franchise period, CDC Subsidiaries shall reimburse and compensate Certain Power Generation Enterprises of Anhui Company for the costs incurred, including those for water, electricity and gas, for desulfurisation or denitrification.

5. *Payment terms:*

In respect of the payment of denitrification and desulfurisation tariffs, Certain Power Generation Enterprises of Anhui Company shall pay such tariffs to CDC Subsidiaries in accordance with the agreed settlement cycle according to the respective Franchising Contracts, i.e. within 5 working days from the date of receipt of on-grid tariffs by Certain Power Generation Enterprises of Anhui Company from power grid companies, 10 working days from the date of receipt of desulfurisation or denitrification subsidies by Certain Power Generation Enterprises of Anhui Company, or the period of time as agreed by the parties. During the same settlement cycle, i.e. within 5 working days from the date of receipt of on-grid tariffs by Certain Power Generation Enterprises of Anhui Company from power grid companies, 10 working days from the date of receipt of desulfurisation or denitrification subsidies by Certain Power Generation Enterprises of Anhui Company, or the period of time as agreed by the parties, CDC Subsidiaries shall reimburse and compensate Certain Power Generation Enterprises of Anhui Company for the costs of water, electricity, gas and environmental protection fines, etc incurred for desulfurisation and denitrification.

6. *Franchise period:*

The franchise period is the same as the operating period of the power generation facilities at which the franchise projects are located. During the term of the franchise period, the ownership of the facilities of the franchise project is vested in CDC Subsidiaries or in the project company (if any) established by CDC Subsidiaries to operate the desulfurisation or denitrification project. Further, without the prior consent of Certain Power Generation Enterprises of Anhui Company, CDC Subsidiaries shall not transfer, lease, charge, pledge, entrust or dispose of the franchise rights, assets and facilities related to the franchising and equity interests in the project companies in any other manner before the expiry of the franchise period.

Upon the expiry of the franchise period, CDC Subsidiaries shall either transfer the facilities of entire projects to Certain Power Generation Enterprises of Anhui Company for a price equivalent to the appraised value of the franchise rights, facilities and equipment of the franchise projects which is to be confirmed by both parties, or, pursuant to the request by Certain Power Generation Enterprises of Anhui Company, demolish the facilities of the franchise projects. In any event, CDC Subsidiaries shall discharge all encumbrances in relation to the desulfurisation or denitrification facilities, including lease, charge or pledge, etc., before the receipt of such facilities by Certain Power Generation Enterprises of Anhui Company.

7. *Effective date of the Franchising Contracts:*

The Franchising Contracts shall become effective upon signing with the respective company seals affixed thereto by the legal representatives, or the authorized persons of Certain Power Generation Enterprises of Anhui Company and CDC Subsidiaries.

Annual Caps

It is estimated that the annual caps for the total desulfurisation and denitrification electricity fees (tax exclusive) to be charged by CDC Subsidiaries for the provision of desulfurisation or denitrification services to Certain Power Generation Enterprises of Anhui Company for the three years ending 31 December 2018, 31 December 2019 and 31 December 2020 will be RMB469.03 million, RMB466.43 million and RMB468.65 million, respectively.

The above-mentioned desulfurisation and denitrification electricity fees shall be calculated with reference to (i) the current desulfurisation electricity tariff (RMB0.015/kWh) and current denitrification electricity tariff (RMB0.01/kWh, and (ii) the annual utilisation hours of the power generation units of Certain Power Generation Enterprises of Anhui Company in previous years together with the actual situation of the areas where such enterprises are located.

It is estimated that the annual caps for the total costs incurred for desulfurisation and denitrification, including water, electricity and gas costs under the Franchising Contracts to be charged by Certain Power Generation Enterprises of Anhui Company to CDC Subsidiaries for each of the three years ending 31 December 2018, 31 December 2019 and 31 December 2020 will be RMB131.3 million, RMB129.6 million, and RMB129.1 million, respectively.

The above-mentioned water, electricity and gas costs are calculated with reference to the annual utilisation hours of the power generation units of Certain Power Generation Enterprises of Anhui Company in previous years, together with the actual situation of the areas where such enterprises are located.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Since the Desulfurisation Assets or Denitrification Assets are the supporting and ancillary facilities of the coal-fired power generating units, the franchise period is the same as the corresponding operating period of the power each of generation facilities at which the franchise projects are located. The remaining term of the Franchising Contracts is expected to exceed three years. The Company will re-set the annual caps of the transactions under the Franchising Contracts after the expiration of the term for the year ending 31 December 2020 and re-comply with the relevant reporting, announcement and independent shareholders' approval (if applicable) requirements in accordance with the relevant requirements of the Listing Rules.

The Company will engage an independent financial adviser to provide independent advice in respect of the term of the Franchising Contracts in accordance with the requirements as stipulated in Rule 14A.52 of the Listing Rules, to explain why a longer period is required and to confirm that it is normal business practice for contracts of this type to be of such duration. The Company will issue a supplemental announcement in this regard as soon as practicable before the end of May 2018.

HISTORICAL TRANSACTION AMOUNT

Certain Power Generation Enterprises of Anhui Company did not engage in similar transactions with the CDC Subsidiaries in the past, therefore no historical transaction amount is available.

INTERNAL CONTROL

According to the requirements of management system of the connected transactions of the Company, the Safety Production Department of the Company is responsible for tracing and monitoring the implementation of connected transactions within the scope of Franchising Contracts, developing management ledgers for connected transactions and designating specialists for management and maintenance, and consolidating the transaction amounts incurred in the connected transactions on a quarterly basis. The Company will re-fulfill the necessary approval procedures in respect of continuing connected transactions that are expected to exceed their annual caps.

REASONS FOR AND BENEFITS OF THE FRANCHISING CONTRACTS

The implementation of franchising for desulfurisation and denitrification projects of Certain Power Generation Enterprises of Anhui Company can bring the professional management advantage of the CDC Subsidiaries into full play, thus enhancing the operational efficiency of the desulfurisation and denitrification facilities, reducing the risks of environmental protection and minimising the operational costs of Certain Power Generation Enterprises of Anhui Company as well as the Company. These could in turn enhance the profitability of the Company.

OPINION FROM THE BOARD

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Franchising Contracts were entered into in the ordinary course of business of Certain Power Generation Enterprises of Anhui Company and are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the transactions contemplated under the Franchising Contracts.

INFORMATION OF THE PARTIES TO THE FRANCHISING CONTRACTS

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 maintenance and debugging of power equipment and power related technical services. It's main service areas located in the PRC.
2. CDC was established on 9 April 2003 with a registered capital of RMB37 billion and is principally engaged in the development, investment, construction, operation and management of power energy; organization of power (thermal) productions and sales; manufacturing, maintenance and debugging of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering contracting projects; development of new energy as well as development and production of power related coal resources.
3. Datang Huainan Luohe Power Plant is a power plant owned by Anhui Company with an installed capacity of 640MW.
4. Ma'anshan Dangtu Power Generation Co., Ltd. is a wholly-owned subsidiary of Anhui Company with an installed capacity of 1320MW.
5. Anhui Huainan Luoneng Power Generation Co., Ltd. is a controlled subsidiary of Anhui Company with an installed capacity of 1900MW, and has the equity holding structure as follows: 52.8% of its equity interest is held by Anhui Company and 47.2% of its equity interest is held by other shareholders.
6. Huainan Tianjia'an Power Plant of the Anhui Electric Power Co., Ltd. is a power plant owned by the Anhui Electric Power Co., Ltd. (a subsidiary of Anhui Company) with an installed capacity of 640MW, and has the equity holding structure as follows: 50% of its equity interest is held by Anhui Company and 50% of its equity interest is held by other shareholders.

7. Datang Huaibei Power Plant is a power plant owned by Anhui Company with an installed capacity of 1530MW.
8. China Datang Technologies & Engineering Co., Ltd. is a subsidiary of Datang Environment Industry Group Co., Ltd. (a controlled subsidiary of CDC), and its business scope principally covers design and EPC contracting of coal and wind power generation system, design and EPC contracting of environmental protection project systems such as flue gas desulfurization and denitration in the fields of energy, metallurgy and chemical engineering.
9. Luohe Project Branch Company of Datang Environment Industry Group Co., Ltd. is a project-based branch company wholly-owned by Datang Environment Industry Group Co., Ltd. (formerly known as Datang Technology Industry Group Co., Ltd.) which is mainly responsible for investments on environmental protection facilities and operations management at the location of the Luohe project of Datang Environment Industry Group Co., Ltd.
10. Datang Environment Industry Group Co., Ltd. (formerly known as China Datang Group Environmental Technology Company and Datang Technology Industry Group Co., Ltd.) is a controlled subsidiary of CDC with a registered capital of RMB2,967.542 million. It is principally engaged in businesses such as environmental protection facilities franchising, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and renewable energy engineering business.

LISTING RULES IMPLICATIONS

CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 53.09% of the issued share capital of the Company as at the date of this announcement. As such, CDC is a connected person of the Company and the transactions under the Franchising Contracts constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Franchising Contracts is more than 0.1% and all the applicable percentage ratios are less than 5%, the transactions under the Franchising Contracts are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition by the Company of the Target Shares from CDC pursuant to the terms and conditions of the Transfer Agreement
“Anhui Company”	Datang Anhui Power Generation Co., Ltd. (大唐安徽發電有限公司), a company established in the PRC and one of the Target Companies. For details, please refer to the section headed “Information of the Parties to the Franchising Contracts” in this announcement
“Anhui Huainan Luoneng Power Generation Co., Ltd.”	Anhui Huainan Luoneng Power Generation Co., Ltd., a controlled subsidiary of Anhui Company with an installed capacity of 1900MW, and has the equity holding structure as follows: 52.8% of its equity interest is held by Anhui Company and 47.2% of its equity interest is held by other shareholders
“Board”	the board of Directors
“Certain Power Generation Enterprises of Anhui Company”	collectively, (i) Datang Huainan Luohe Power Plant, (ii) Ma’anshan Dangtu Power Generation Co., Ltd., (iii) Anhui Huainan Luoneng Power Generation Co., Ltd., (iv) Huainan Tianjia’an Power Plant of the Anhui Electric Power Co., Ltd. and (v) Datang Huaibei Power Plant
“CCT Agreements”	the agreements entered into between the subsidiaries of the Target Companies with the relevant subsidiaries of CDC in relation to continuing connected transactions which exist as at the date of this announcement and will continue to be valid and effective upon Completion
“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 the Parties to the Franchising Contracts” in this announcement

“CDC Subsidiaries”	collectively, (i) Luohe Project Branch Company of Datang Environment Industry Group Co., Ltd. (formerly known as Luohe Project Branch Company of Datang Technology Industry Group Co., Ltd.) and (ii) Datang Environment Industry Group Co., Ltd. (formerly known as China Datang Group Environmental Technology Company and Datang Technology Industry Group Co., Ltd.)
“China Datang Technologies & Engineering Co., Ltd.”	China Datang Technologies and Engineering Co., Ltd., a subsidiary of CDC. For details, please refer to the section headed “Information of the Parties to the Franchising Contracts” in this announcement
“China Datang Group Environmental Technology Company”	China Datang Group Environmental Technology Company Limited (中國大唐集團環境技術有限公司), which changed its name to Datang Technology Industry Group Co., Ltd. in 2013
“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 Parties to the Franchising Contracts” in this announcement
“Completion”	the completion of the transfer of all the assets under the Target Companies and their subordinated units and their related operation and management rights from CDC to the Company
“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
“Consideration”	the aggregate consideration for the Acquisition under the Transfer Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Datang Environment Industry Group Co., Ltd.”	Datang Environment Industry Group Co., Ltd. (previously known as Datang Technology Industry Group Co., Ltd. and China Datang Group Environmental Technology Company), a controlled subsidiary of CDC, details of which are set out in the section headed “Information of the Parties to the Franchising Contracts” in this announcement
“Datang Huaibei Power Plant”	Datang Huaibei Power Plant owned by Anhui Company with an installed capacity of 1530MW
“Datang Huainan Luohe Power Plant”	Datang Huainan Luohe Power Plant owned by Anhui Company with an installed capacity of 640MW
“Datang Technology Industry Group Co., Ltd.”	Datang Technology Industry Group Co., Ltd. (大唐科技產業集團有限公司), a subsidiary of CDC, which changed its name to Datang Environment Industry Group Co., Ltd. in 2015
“Denitrification Assets”	the denitrification installations and related assets, including all the facilities, equipment, spare parts and related information, and ancillary equipment of the coal-fired power generation units of Certain Power Generation Enterprises of Anhui Company
“Desulfurisation Assets”	the desulfurisation installations and related assets, including all the facilities, equipment, spare parts and related information, and ancillary equipment of the coal-fired power generation units of Certain Power Generation Enterprises of Anhui Company
“Director(s)”	the director(s) of the Company
“Existing Framework Agreements”	collectively, (i) the comprehensive products and services framework agreement entered into between CDC and the Company on 30 January 2018, details of which were disclosed in the circular of the Company dated 28 February 2018; (ii) the leasing and factoring business cooperation agreement entered into between the Company and Shanghai Datang Financial Lease Co., Ltd. on 11 September 2015, details of which were disclosed in the circular of the Company dated 13 October 2015; and (iii) the financial cooperation agreement entered into between the Company and Datang Financial Lease Co., Ltd. on 1 September 2016, details of which were disclosed in the circular of the Company dated 30 September 2016

“Fifth Franchising Contract”	the contract in respect of flue gas desulfurisation dated 30 August 2012 entered into between Huainan Tianjia’an Power Plant of the Anhui Electric Power Co., Ltd. and Datang Environment Industry Group Co., Ltd.
“First Franchising Contract”	the contract in respect of flue gas desulfurisation dated 28 March 2009 entered into between Datang Huainan Luohe Power Plant and China Datang Technologies & Engineering Co., Ltd.
“Fourth Franchising Contracts”	collectively, (i) the contract in respect of flue gas desulfurisation dated 18 January 2008, as amended by a supplemental contract dated 8 December 2015; and (ii) the contract in respect of flue gas denitrification dated 30 September 2015, all of which were entered into between Anhui Huainan Luoneng Power Generation Co., Ltd. and Luohe Project Branch Company of Datang Environment Industry Group Co., Ltd.
“Franchising Contracts”	collectively, the First Franchising Contract, the Second Franchising Contract, the Third Franchising Contracts, the Fourth Franchising Contracts, the Fifth Franchising Contract, the Sixth Franchising Contract and the Seventh Franchising Contract
“Hebei Company”	Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司), a company established in the PRC and one of the Target Companies
“Heilongjiang Company”	Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司), a company established in the PRC and one of the Target Companies
“Huainan Tianjia’an Power Plant of the Anhui Electric Power Co., Ltd.”	Huainan Tianjia’an Power Plant owned by the Anhui Electric Power Co., Ltd. (a subsidiary of Anhui Company) with an installed capacity of 640MW, and has the equity holding structure as follows: 50% of its equity interest is held by Anhui Company and 50% of its equity interest is held by other shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luohe Project Branch Company of Datang Environment Industry Group Co., Ltd.”	Luohe Project Branch Company of Datang Environment Industry Group Co., Ltd. (formerly known as Datang Technology Industry Group Co., Ltd.), a project-based branch company wholly-owned by Datang Environment Industry Group Co., Ltd.

“Luohe Project Branch Company of Datang Technology Industry Group Co., Ltd.”	Luohe Project Branch Company of Datang Technology Industry Group Co., Ltd., a branch company wholly-owned by Datang Technology Industry Group Co., Ltd., which changed its name to Datang Environment Industry Group Co., Ltd.
“Ma’anshan Dangtu Power Generation Co., Ltd.”	Ma’anshan Dangtu Power Generation Co., Ltd., a wholly-owned subsidiary of Anhui Company with an installed capacity of 1320MW
“PRC”	the People’s Republic of China
“Previous Circular”	the circular of the Company dated 22 February 2018 in relation to the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Second Franchising Contract”	the contract in respect of flue gas denitrification dated 1 May 2015 entered into between Datang Huainan Luohe Power Plant and Luohe Project Branch Company of Datang Technology Industry Group Co., Ltd.
“Shareholder(s)”	the holder(s) of share(s) of the Company
“Seventh Franchising Contract”	the contract in respect of flue gas denitrification dated 31 May 2015 entered into between Datang Huaibei Power Plant and Datang Technology Industry Group Co., Ltd.
“Sixth Franchising Contract”	the contract in respect of flue gas desulfurisation dated 21 March 2012 entered into between Datang Huaibei Power Plant and China Datang Group Environmental Technology Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	collectively, Hebei Company, Anhui Company and Heilongjiang Company
“Target Shares”	the 100% equity interests held by CDC in each of the Target Companies

“Third Franchising Contracts”	collectively, (i) the contract in respect of flue gas desulfurisation dated 30 August 2012; (ii) the contract in respect of flue gas denitrification dated 31 May 2015, both of which were entered into between Ma’anshan Dangtu Power Generation Co., Ltd. and Datang Technology Industry Group Co., Ltd., as amended by a supplemental contract dated 14 December 2015
“Transfer Agreement”	the share transfer agreement in relation to the Acquisition entered into between the Company and CDC on 6 December 2017
“%”	per cent.

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 29 March 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*