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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)

**DISCLOSEABLE TRANSACTION
AND
CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

TRINITY
Trinity Corporate Finance Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 3 to 9 of this circular. A letter from the Independent Board Committee is set out on pages 10 to 11 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 23 of this circular.

31 July 2018

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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. CDC and its subsidiaries own approximately 53.09% of the issued share capital of the Company in aggregate as at the Latest Practicable Date. Please refer to the section headed “Information of the Parties” of this circular for details
“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. Please refer to the section headed “Information of the Parties” of this circular for details
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“connected transaction”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be held by the Company to consider and approve, amongst others, the Leasing and Factoring Business Cooperation Agreement
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Company, comprising the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Leasing and Factoring Business Cooperation Agreement

DEFINITIONS

“Independent Financial Adviser” or “Trinity Corporate Finance Limited”	Trinity Corporate Finance Limited, a licensed corporation under the SFO permitted to conduct type 6 (advising on corporate finance) regulated activities for the purposes of the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Leasing and Factoring Business Cooperation Agreement
“Independent Shareholders”	Shareholders, other than CDC and its associates, who are not materially interested in the Leasing and Factoring Business Cooperation Agreement
“Latest Practicable Date”	27 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Leasing and Factoring Business Cooperation Agreement”	the leasing and factoring business cooperation agreement entered into between the Company and Shanghai Datang Financial Lease Company on 4 July 2018
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Datang Financial Lease Company”	Shanghai Datang Financial Lease Co., Ltd., details of which are set out in the section headed “Information of the Parties” of this circular
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Xin
Mr. Ying Xuejun

Non-executive Directors:

Mr. Chen Jinhang (*Chairman*)
Mr. Liu Chuandong
Mr. Liang Yongpan
Mr. Zhu Shaowen
Mr. Cao Xin
Mr. Zhao Xianguo
Mr. Zhang Ping
Mr. Jin Shengxiang

Independent non-executive Directors:

Mr. Liu Jizhen
Mr. Feng Genfu
Mr. Luo Zhongwei
Mr. Liu Huangsong
Mr. Jiang Fuxiu

Office address:

No.9 Guangningbo Street
Xicheng District
Beijing, 100033
the PRC

Principal place of business in

Hong Kong:

c/o Eversheds Sutherland
21/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

31 July 2018

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
AND
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 4 July 2018 in relation to the Leasing and Factoring Business Cooperation Agreement. As stated in that announcement, the Company will issue a circular to the Shareholders to provide details of the Leasing and Factoring Business Cooperation Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to, among others, (i) provide you with details of the Leasing and Factoring Business Cooperation Agreement; (ii) set out the recommendation of the Independent Board Committee in respect of the Leasing and Factoring Business Cooperation Agreement; and (iii) set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Leasing and Factoring Business Cooperation Agreement.

I. LEASING AND FACTORING BUSINESS COOPERATION AGREEMENT

Date:

4 July 2018

Parties:

The Company; and

Shanghai Datang Financial Lease Company

Subject Matter:

Pursuant to the Leasing and Factoring Business Cooperation Agreement, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries with a principal of not exceeding RMB10.0 billion for every 12 months from the effective date of the agreement.

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

Lease Term:

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

Major Terms:

1. In accordance with the business principles of a financial leasing company, Shanghai Datang Financial Lease Company shall provide the Company and its subsidiaries with support on leasing and factoring business with a principal of not exceeding RMB10.0 billion for every 12 months (from the effective date of the agreement) for the investment and construction of key projects of the Company in areas including thermal power, hydropower, wind power and recycling economy.

LETTER FROM THE BOARD

2. By making use of its professional advantages in the financial area, Shanghai Datang Financial Lease Company shall provide the Company with various financial consulting services such as investment and financing consulting, financial advisory, financial leasing consulting, receivables factoring products design and transaction arrangements.
3. Within the scope of the business development and planning of the Company, Shanghai Datang Financial Lease Company shall assist the Company to choose suitable lessees and projects, and design and provide customized leasing and factoring business proposals.
4. Shanghai Datang Financial Lease Company shall provide the Company with the most favourable rates for lease fees pursuant to the relevant policies and regulations of the PRC and in line with the supply and demand of capitals in the market as well as the different structural features of different lease and factoring products. The general rates for lease fees shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in China for providing similar services.
5. The agreement shall become effective when it is duly signed by the parties and affixed with their respective company seals and upon obtaining approval of the agreement by the Independent Shareholders at the general meeting.

Pricing policy and control measures:

1. After taking future development and financing plans into consideration, the Company has confirmed the financial leasing and factoring business with a principal of not exceeding RMB10.0 billion for every 12 months from the effective date of the agreement.
2. Prior to cooperation with Shanghai Datang Financial Lease Company, the Company shall collect information about the terms and conditions of the relevant transactions and their respective interest rates from major domestic leasing companies in China who are independent of the Company and its connected persons, and compare them with the benchmark interest rate on term loans issued by the People's Bank of China to ensure that the Company receives the most favourable terms, the general rates for lease fees shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in China, and the Company's overall interests will be maximised.

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 Leasing and Factoring Business Cooperation Agreement by developing management accounts for continuing connected transactions and designating specialists 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.

LETTER FROM THE BOARD

Historical transaction amounts:

The transaction amounts of financial lease between the Company and Shanghai Datang Financial Lease Company for the period from 11 September 2015 to 31 December 2015, the year ended 31 December 2016, the year ended 31 December 2017 and the four months ended 30 April 2018 amounted to RMB0.521 billion (then annual cap: RMB3 billion), RMB2.113 billion (then annual cap: RMB10 billion), RMB0.167 billion (then annual cap: RMB10 billion) and RMB0 (then annual cap: RMB7 billion), respectively.

Annual caps

Transaction period	From the effective date of the agreement to 31 December 2018	1 January 2019 to 31 December 2019	1 January 2020 to 31 December 2020	1 January 2021 to the expiry date of the agreement
Principal	RMB5 billion	RMB10 billion	RMB10 billion	RMB5 billion

The above proposed annual caps are determined with reference to the financing plan of the Company which is derived from the expected demand of capital of the Company for the coming 36 months, after principally considering that (i) approximately two thirds (2/3) of the principal of the financial leases will be used for the replacement of part of the existing loans upon expiration as the Company anticipates that an aggregate amount of approximately RMB40 billion to RMB60 billion of the loans of the Company will be expired during the period from 2019 to 2021; and (ii) approximately one third (1/3) of the principal of the financial leases will be used for fulfilling part of the future capital needs for construction of existing projects which were approved by the Board, including but not limited to Guangdong Datang International Leizhou Thermal Power Project (a project involving generating units with a total installed capacity of 2,000MW and with a total investment amount of approximately RMB8.661 billion) and Hebei Datang International Tangshan Beijiao Thermal Power Generation Project (a project involving generating units with a total installed capacity of 700MW and with a total investment amount of approximately RMB3.18 billion).

After considering the growing importance of lease financing as a financing alternative under the general debt financing condition and taxation arrangements in China, and particularly, the fact that Shanghai Datang Financial Lease Company has been established on 31 March 2015 for providing more convenient, effective and efficient financial leasing as well as factoring products design services to the Company when compared to other financial leasing companies, the Board considers that such annual caps and the determination basis are fair and reasonable so far as the Shareholders are concerned and in the interest of both the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

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

The relevant arrangements under the Leasing and Factoring Business Cooperation Agreement are beneficial to the Company to obtain financing support and relevant financing services at an interest rate that is equivalent to or lower than the market interest rate, so as to further lower its capital costs; and to further strengthen the Company's and relevant unit's negotiation power when deploying the financial leasing business with other leasing companies as the financial leasing operations of Shanghai Datang Financial Lease Company and the Company and the relevant units have been deployed and expanded. Meanwhile, Shanghai Datang Financial Lease Company has developed a deeper understanding in the operation of the Company and the relevant units, which in turn would enable it to provide more convenient, effective and efficient financial leasing as well as factoring products design services to the Company when compared to those services provided by other financial leasing companies.

Since Shanghai Datang Financial Lease Company was incorporated on 31 March 2015, it has established a sound management structure with sufficient experienced financial professionals who possess expertise and experience in financial leasing and factoring businesses. In term of professional ability, Shanghai Datang Financial Lease Company specialises in developing power-related projects and therefore is able to accumulate abundant experience in the area of businesses which the Company is engaging in. Further, since both of the Company and Shanghai Datang Financial Lease Company are subsidiaries of CDC, this therefore facilitates the communication and cooperation between the two parties. In view of the above, Shanghai Datang Financial Lease Company possesses strong and experienced professional management and personnel, strong ability in developing projects, prompt decision making and strategic planning abilities and therefore the Company believes that Shanghai Datang Financial Lease Company will be able to provide customised leasing and factoring business proposals for the Company.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Leasing and Factoring Business Cooperation Agreement are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

APPROVAL OF THE BOARD

The twenty-third meeting of the ninth session of the Board of the Company has considered and approved the "Resolution on Entering into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Co., Ltd." (Please refer to the overseas regulatory announcement of the Company dated 29 March 2018 for details).

As at the Latest Practicable Date, none of the Directors has any material interest in the Leasing and Factoring Business Cooperation Agreement. Those connected Directors, including Chen Jinhang, Liu Chuandong and Liang Yongpan, have abstained from voting on the relevant resolution in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

LETTER FROM THE BOARD

INFORMATION OF THE 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 Group's main service areas are in the PRC.
2. CDC was established on 9 March 2003 with registered capital of RMB18.009 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 development and production of power related coal resources.
3. Shanghai Datang Financial Lease Company is a subsidiary of CDC with registered capital of approximately RMB1.0 billion, of which legal representative is Chi Rundong and registered address is No. 530 Zhengding Road, China (Shanghai) Pilot Free-Trade Zone. Shanghai Datang Financial Lease Company is principally engaged in the financial leasing business, leasing business, purchase and leasing of properties in the PRC and from overseas countries, treatment of residual value of and maintenance of leased properties, consultation and guarantee for leasing transactions, and commercial factoring business related to its principal businesses.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CDC together with its subsidiaries hold 53.09% of the issued share capital of the Company. Since Shanghai Datang Financial Lease Company is an indirectly owned subsidiary of CDC, Shanghai Datang Financial Lease Company is a connected person of the Company, and the Leasing and Factoring Business Cooperation Agreement and the transactions thereunder constitute continuing connected transactions of the Company.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the Leasing and Factoring Business Cooperation Agreement are above 5%, the Leasing and Factoring Business Cooperation Agreement and the transactions thereunder are subject to the requirements of reporting, announcement and approval by Independent Shareholders of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the transaction under the Leasing and Factoring Business Cooperation Agreement are above 5% and all other applicable percentage ratios are less than 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to the requirements of reporting and announcement under Chapter 14 of the Listing Rules.

II. EGM

The Company will convene the EGM to consider and approve, among others, the Leasing and Factoring Business Cooperation Agreement.

LETTER FROM THE BOARD

Any Shareholder with a material interest in the Leasing and Factoring Business Cooperation Agreement and the transactions thereunder will abstain from voting at the EGM to be held by the Company for the purpose of considering and approving the Leasing and Factoring Business Cooperation Agreement. Therefore, CDC and its associates, which hold approximately 53.09% of the issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting at the EGM in approving the transactions contemplated under the Leasing and Factoring Business Cooperation Agreement.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, apart from CDC and its associates, no other Shareholders have material interest in the transactions contemplated under the Leasing and Factoring Business Cooperation Agreement. Therefore, save as disclosed above, no other Shareholders shall abstain from voting at the resolution(s) in relation to the approval of the transactions contemplated under the Leasing and Factoring Business Cooperation Agreement at the EGM.

III. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 10 to 11 of this circular which contains its recommendation to the Independent Shareholders on the terms of the Leasing and Factoring Business Cooperation Agreement. Your attention is also drawn to the letter of advice received from Trinity Corporate Finance Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 12 to 23 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Leasing and Factoring Business Cooperation Agreement, the casting of votes for or against the resolution(s) approving the Leasing and Factoring Business Cooperation Agreement as well as the principal factors and reasons considered by it in concluding its advice.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Leasing and Factoring Business Cooperation Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole and they recommend the Shareholders to vote in favour of the resolution(s) at the EGM.

IV. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board of
Datang International Power Generation Co., Ltd.
Ying Xuejun
Secretary to the Board

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

Office address
No.9 Guangningbo Street
Xicheng District
Beijing, 100033
The PRC

31 July 2018

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
AND
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular issued by the Company to the Shareholders dated 31 July 2018 (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

Under the Listing Rules, the transactions under the Leasing and Factoring Business Cooperation Agreement constitute discloseable transaction and continuing connected transactions of the Company.

We have been appointed as the Independent Board Committee to consider the terms of the Leasing and Factoring Business Cooperation Agreement and to advise the Independent Shareholders as to whether, in our opinion, the terms of the Leasing and Factoring Business Cooperation Agreement and the transactions contemplated thereunder are fair and reasonable and whether entering into the Leasing and Factoring Business Cooperation Agreement is in the interests of the Company and the Shareholders as a whole. Trinity Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from Trinity Corporate Finance Limited as set out in this circular. Having considered the principal factors and reasons considered by, and the advice of Trinity Corporate Finance Limited as set out in its letter of advice, we consider that the entering into the Leasing and Factoring Business Cooperation Agreement is on normal commercial terms. We also consider that the terms of the Leasing and Factoring Business Cooperation Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and that the entering into the Leasing and Factoring Business Cooperation Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to approve the Leasing and Factoring Business Cooperation Agreement and the transactions thereunder at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Liu Jizhen, Feng Genfu, Luo Zhongwei,

Liu Huangsong, Jiang Fuxiu

Independent non-executive Directors

Datang International Power Generation Co., Ltd.

TRINITY

Trinity Corporate Finance Limited

Suite 7B, 7th Floor,
Two Chinachem Plaza,
68 Connaught Road Central,
Hong Kong.

31 July 2018

*To the Independent Board Committee and the Independent Shareholders of
Datang International Power Generation Co., Ltd.*

Dear Sirs,

**CONTINUING CONNECTED TRANSACTIONS
LEASING AND FACTORING BUSINESS COOPERATION AGREEMENT**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Leasing and Factoring Business Cooperation Agreement and the proposed annual caps of the transactions under the Leasing and Factoring Business Cooperation Agreement (together the “**Continuing Connected Transactions**”), details of which are set out in the letter from the board (the “**Letter from the Board**”) in the Company’s circular dated 31 July 2018 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 4 July 2018, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company, pursuant to which, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries for a term of 36 months commencing from the effective date of the Leasing and Factoring Business Cooperation Agreement.

As at the Latest Practicable Date, CDC together with its subsidiaries hold 53.09% of the issued share capital of the Company. Since Shanghai Datang Financial Lease Company is an indirectly owned subsidiary of CDC, Shanghai Datang Financial Lease Company is a connected person of the Company, and the Leasing and Factoring Business Cooperation Agreement and the transactions thereunder constitute continuing connected transactions of the Company.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the Leasing and Factoring Business Cooperation Agreement are above 5%, the Leasing and Factoring Business Cooperation Agreement and the transactions thereunder are subject to the requirements of reporting, announcement and approval by Independent Shareholders of the Company under Chapter 14A of the Listing Rules.

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

An Independent Board Committee comprising the independent non-executive Directors (namely, Mr. Liu Jizhen, Mr. Feng Genfu, Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu) has been appointed to consider the terms of the Leasing and Factoring Business Cooperation Agreement and to advise the Independent Shareholders in connection with the Leasing and Factoring Business Cooperation Agreement as to whether its terms and the transactions contemplated thereunder are fair and reasonable and whether entering into the Leasing and Factoring Business Cooperation Agreement is in the interests of the Company and the Shareholders as a whole. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

As at the Latest Practicable Date, Trinity Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Trinity Corporate Finance Limited. In the last two years, Trinity Corporate Finance Limited has acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in relation to continuing connected transactions of the Franchising Contracts and Comprehensive Product and Service Framework Agreement of the Company (details of which were set out in the two circulars of the Company both dated 28 February 2018). Apart from normal professional fees paid or payable to us in connection with such appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions, therefore we consider such relationship would not affect our independence.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date and should there be any material changes to our opinion after the despatch of the Circular and up to the date of the EGM, Shareholders would be notified as soon as practicable.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Company. We have not, however, conducted any

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or any parties involved in the Continuing Connected Transactions or their future prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Continuing Connected Transactions, as referred to in Rule 13.80 of the Listing Rules (including the notes thereof) in formulating our opinion and recommendation.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Continuing Connected Transactions and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes other than our role as the Independent Financial Adviser, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Continuing Connected Transactions, we have taken into account the following principal factors and reasons:

A. Background of the Company

The Company is one of the largest independent power generation companies in the PRC and is primarily engaged in the construction and operation of power plants, the sale of electricity, the repair and maintenance of power equipment and power-related technical services, with its main service areas located in the PRC.

Power generation businesses of the Company and its subsidiaries in operation or under construction are mainly distributed across 18 provinces, municipalities and autonomous regions throughout the country, whereby coal-fired power generators of the Company are centralised in Beijing-Tianjin-Hebei and southeast coastal areas, while most of the hydropower projects are located in the southwest region. Wind power and photovoltaic power are distributed across the country in areas with abundant resources.

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

B. Financial Performance of the Company

Table B.1 below summarises the consolidated income statement of the Group for the three years ended 31 December 2015, 2016 and 2017 respectively, as extracted from the annual reports of the Company.

Table B.1	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2017
	(audited)	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Operating Revenue	60,050,302	57,291,557	64,607,755
Profit before tax from continuing operations	9,938,994	8,441,267	3,324,272
Profit for the year	3,260,372	1,885,321	2,445,853
Profit (Loss) for the year attributable to owners of the Company	2,787,739	(2,753,881)	1,708,075

During the year ended 31 December 2017, the Group realized a consolidated operating revenue from continuing operations of approximately RMB64,608 million, representing an increase of approximately 12.77% over the year ended 31 December 2016, among which, revenue from electricity sales increased by approximately RMB6,712 million over the year ended 31 December 2016. The Company completed the power generation of 198,693.6 million kWh, representing an increase of 15.20% over the year ended 31 December 2016.

During the year ended 31 December 2017, finance costs of the Group relating to continuing operations amounted to approximately RMB5,909 million, representing an increase of approximately RMB310 million or approximately 5.54% over the year ended 31 December 2016. The increase was primarily due to the inclusion of the interest expense of new operating units into the finance costs. The interest expense on finance leases for the year ended 31 December 2017 was approximately RMB524 million, representing 0.77% of the total borrowing costs of the year. The interest expense on long-term loans for the year ended 31 December 2017 was approximately RMB4,552 million, representing 66.44% of the total borrowing costs of the year.

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

Table B.2 below summarises the consolidated statement of financial position of the Group as at 31 December 2015, 2016 and 2017 respectively, as extracted from the annual reports of the Company.

Table B.2	As at 31 December 2015 (audited) RMB'000	As at 31 December 2016 (audited) RMB'000	As at 31 December 2017 (audited) RMB'000
Current Assets	26,524,690	20,194,918	21,440,916
Current Liabilities	75,781,339	57,365,578	62,683,578
Total Assets	308,495,439	233,465,421	235,931,843
Total Liabilities	244,911,100	174,636,428	175,747,011
Equity attributable to owners of the Company	45,297,483	39,984,321	41,759,348

As of 31 December 2017, the assets to-liabilities ratio of the Group was approximately 74.49%, comparing with 74.80% in the previous year. The net debt to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 224.87%, comparing with 227.84% in the previous year. Certain long-term loans of the Group are secured by pledge on its property, plant and equipment. As at 31 December 2017, the carrying amount of the pledged assets amounted to approximately RMB3.70 billion.

The Group also recorded net current liabilities as at 31 December 2015, 2016 and 2017. As at December 2017, the Group recorded net current liabilities of approximately RMB41.24 billion. As at 31 December 2017, the Group had short-term loans, short-term bonds and current portion of the non-current liabilities in aggregate of approximately RMB39 billion representing approximately 62.16% of total current liabilities.

C. Principal Terms of the Leasing and Factoring Business Cooperation Agreement

As mentioned in the Letter from the Board, on 4 July 2018, the Company entered into the Leasing and Factoring Business Cooperation Agreement with Shanghai Datang Financial Lease Company, pursuant to which, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries for a term of 36 months commencing from the effective date of the Leasing and Factoring Business Cooperation Agreement.

Shanghai Datang Financial Lease Company is a subsidiary of CDC with registered capital of approximately RMB1.0 billion, of which the legal representative is Chi Rundong and the registered address is No. 530, Zhengding Road, China (Shanghai) Pilot Free-Trade Zone. Shanghai Datang Financial Lease Company is principally engaged in the financial leasing business, leasing business, purchase and leasing of properties in the PRC and from overseas countries, treatment of residual value of and maintenance of leased properties, consultation and guarantee for leasing transactions, and commercial factoring business related to its principal businesses.

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The major terms of the Leasing and Factoring Business Cooperation Agreement are summarized as follows:

Date:

4 July 2018

Parties:

The Company; and

Shanghai Datang Financial Lease Company

Subject Matter:

Pursuant to the Leasing and Factoring Business Cooperation Agreement, Shanghai Datang Financial Lease Company shall provide support on financial leasing and factoring business to the Company and its subsidiaries with a principal of not exceeding RMB10.0 billion for every 12 months from the effective date of the agreement.

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

Major Terms:

1. In accordance with the business principles of a financial leasing company, Shanghai Datang Financial Lease Company shall provide the Company and its subsidiaries with support on leasing and factoring business with a principal of not exceeding RMB10.0 billion for every 12 months (from the effective date of the agreement) for the investment and construction of key projects of the Company in areas including thermal power, hydropower, wind power and recycling economy.
2. By making use of its professional advantages in the financial area, Shanghai Datang Financial Lease Company shall provide the Company with various financial consulting services such as investment and financing consulting, financial advisory, financial leasing consulting, receivables factoring products design and transaction arrangements.
3. Within the scope of the business development and planning of the Company, Shanghai Datang Financial Lease Company shall assist the Company to choose suitable lessees and projects, and design and provide customized leasing and factoring business proposals.
4. Shanghai Datang Financial Lease Company shall provide the Company with the most favourable rates for lease fees pursuant to the relevant policies and regulations of the PRC and in line with the supply and demand of capitals in the market as well as the different structural

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features of different lease and factoring products. The general rates for lease fees shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC for providing similar services.

5. The agreement shall become effective when it is duly signed by the parties and affixed with their respective company seals and upon obtaining approval of the agreement by the Independent Shareholders at the general meeting.

Pricing policy and control measures:

We are given to understand that the interest rate of the finance lease fees of the Continuing Connected Transactions is determined according to the following mechanism:

1. Prior to cooperation with Shanghai Datang Financial Lease Company, the finance management department of the Company shall collect information about the terms and conditions of the relevant transactions and their respective interest rates from major domestic leasing companies in the PRC who are independent of the Company and its connected persons; and
2. the Company shall compare the above information with the benchmark interest rate on term loans issued by the People's Bank of China to ensure that the Company receives the most favourable terms, the general rates for lease fees shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC, and the Company's overall interests will be maximised.

As at the Latest Practicable Date, the prevailing benchmark interest rate for one-year loans and three-year loans in RMB as announced by the People's Bank of China is 4.35% and 4.75% per annum, respectively. (Announcement by People's Bank of China on 23 October 2015: <http://www.pbc.gov.cn/zhengcehuobisi/125207/125213/125440/125835/2968725/index.html>)

We have reviewed the Leasing and Factoring Business Cooperation Agreement and have discussed with the management of the Company regarding the pricing policy and control measures for the Continuing Connected Transactions. We have reviewed the policies and regulations regarding financial leasing in the PRC, including the "Administrative Measures of Supervision on Financial Leasing Enterprises" (Shang Liu Tong Fa [2013] No. 337) (《融資租賃企業監督管理辦法》商流通發[2013]337號) promulgated by the Ministry of Commerce of the PRC that took effect on 1 October 2013, which regulate the conditions for the establishment, and the operating standards and supervisory and management measures, of companies that are engaged in financial leasing in the PRC. We have also reviewed 2 financial leasing and factoring contracts entered into between the Company's subsidiaries and Shanghai Datang Financial Lease Company and samples of interest rates collected from major domestic leasing companies in the PRC as collected by the Company in the past and compared with the benchmark interest rate on term loans issued by the People's Bank of China. We consider that the abovementioned pricing policy and control measures will ensure that the lease fees received by Shanghai Datang Financial Lease Company shall be equivalent to or more favourable than those offered by other domestic financial leasing companies in the PRC for providing similar services.

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We have also discussed with the Company as to its internal controls and procedures in place to monitor the proposed annual caps, and the Company confirmed that its finance management department is responsible for monitoring the transaction amounts of the Continuing Connected Transactions in respect of the proposed annual caps by developing management accounts for Continuing Connected Transactions and designating specialists for management and maintenance, and regularly 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. We are of the view that such procedures are reasonable in monitoring the transaction amounts with respect to the proposed annual caps.

On this basis, we consider that the terms of Leasing and Factoring Business Cooperation Agreement are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

D. Historical Transaction Amounts and Proposed Annual Caps of the Continuing Connected Transactions

Based on the information from the Letter from the Board, Table D.1 below summarises the annual caps, the historical transaction amounts and the calculated utilization rates of financial lease between the Company and Shanghai Datang Financial Lease Company for the period from 11 September 2015 to 31 December 2015, the year ended 31 December 2016, the year ended 31 December 2017 and the four months ended 30 April 2018, respectively:

Table D.1	The period from 11 September 2015 to 31 December 2015	The year ended 31 December ended 2016	The year ended 31 December 2017	The four months ended 30 April 2018
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
The annual cap of financial lease between the Company and Shanghai Datang Financial Lease Company	3,000	10,000	10,000	7,000
The historical transaction amount of financial lease between the Company and Shanghai Datang Financial Lease Company	521	2,113	167	0
Utilization Rate	17.37%	21.13%	1.67%	0.00%

We have discussed with the management of the Company regarding the above relatively low utilisation rates of annual caps and fluctuating historical transaction amounts of financial lease between the Company and Shanghai Datang Financial Lease Company for the period from 11 September 2015 to 30 April 2018. We are advised by the management of the Company that the

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fluctuation of the historical transaction amounts was mainly due to the varying financing terms provided by Shanghai Datang Financial Lease Company as compared with that provided by other independent third party financing channels during such historical period, and therefore the Company and its associated companies had chosen to obtain financing from other independent third party financing channels when they offered lower financing costs or more favorable terms as compared to that provided by Shanghai Datang Financial Lease Company.

Since Shanghai Datang Financial Lease Company was only established in 2015, and after 2-3 years in operation, the management of the Company expect the financing terms to be provided by them should become more competitive and favorable to the Company in future, and considering the Company will benefit from having more financing alternatives available to them given the constantly changing conditions of the capital market, the Company considers it is still necessary to propose the annual caps below during the term of the Leasing and Factoring Business Cooperation Agreement in order not to rule out any possible cost advantages available from the financial leasing terms to be provided by Datang Financial Lease Company in future.

Table D.2 summarises the proposed annual caps of financial lease between the Company and Shanghai Datang Financial Lease Company for the period from the effective date of the Leasing and Factoring Business Cooperation Agreement to 31 December 2018, the year ending 31 December 2019, the year ending 31 December 2020 and the period from 1 January 2021 to the expiry date of the Leasing and Factoring Business Cooperation Agreement, respectively:

	From the effective date of the Leasing and Factoring Business Cooperation Agreement to 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2020	From 1 January 2021 to the expiry date of the Leasing and Factoring Business Cooperation Agreement
Table D.2	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
The proposed annual cap of financial lease between the Company and Shanghai Datang Financial Lease Company	5,000	10,000	10,000	5,000

We have discussed with the Company and the Company has confirmed that, the above proposed annual caps are determined with reference to the future development and financing plans of the Company which is derived from the expected demand of capital of the Company for the coming 36 months, after principally considering that (i) approximately two third (2/3) of the principal of the financial leases will be used for the replacement of part of the existing loans upon expiration as the Company anticipates that an aggregate amount of approximately RMB40 billion to RMB60 billion of

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the loans of the Company will be expired during the period from 2019 to 2021; and (ii) approximately one third (1/3) of the principal of the financial leases will be used for fulfilling part of the future capital needs for construction of existing projects which were approved by the Board, including but not limited to Guangdong Datang International Leizhou Thermal Power Project (a project involving generating units with a total installed capacity of 2,000MW and with a total investment amount of approximately RMB8.661 billion) and Hebei Datang International Tangshan Beijiao Thermal Power Generation Project (a project involving generating units with a total installed capacity of 700MW and with a total investment amount of approximately RMB3.18 billion).

According to the latest annual report of the Company, the short-term loans of the Group, comprising short-term bank loans of RMB21.62 billion and other short-term loans of RMB2.82 billion, are arranged at fixed interest rates ranging from 2.46% to 4.35% per annum as at 31 December 2017. Long-term loans of the Company (including those repayable within one year) amounted to approximately 99.65 billion. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 2.70% to 6.22%.

The long-term bonds of the Group as at 31 December 2017 consists of medium-term notes and corporate bonds. Medium-term notes represented unsecured notes issued by the Company in inter-bank market on 22 August 2014 with par value of RMB100 each totaling RMB3.5 billion. Such medium-term notes are of 5-year term with fixed annual coupon and effective interest rates of 5.20% and 5.41% respectively. Corporate bonds represented unsecured bonds issued by the Company on 19 August 2009, 22 April 2011, 27 March 2013 and 3 November 2014 with par value of RMB100 each totaling RMB12 billion. Such bonds, which are secured by CDC and of which 65.29% of RMB3 billion were counter-guaranteed by the Company, are of 10-year term with fixed annual coupon and effective interest rates of 5.00%/5.25%/5.10%/5.00% and 5.10%/5.36%/5.20%/5.10%, respectively.

The Group have leased certain of its property, plant and equipment under finance leases. As at 31 December 2017, the average lease term is 7 years and the average effective borrowing rate was 4.76% per annum. Interest rates are fixed at the contract dates. All leases are on a fixed repayment basis. At the end of each lease term, the Group has the option to purchase the plant and machinery at nominal prices.

Having considered that the interest rates of the long-term loans, medium-term notes and corporate bonds are higher than the average effective borrowing rate of finance lease of the Company as at 31 December 2017, we concur with the Company that lease financing is one of the important financing alternatives for the Company and the lease financing under the Leasing and Factoring Business Cooperation Agreement are beneficial to the Company to obtain financing support and relevant financing services at an interest rate that is equivalent to or lower than the market interest rate, so as to further lower its capital costs; and to further strengthen the Company's and relevant unit's negotiation power when deploying the financial leasing business with other leasing companies as the financial leasing operations of Shanghai Datang Financial Lease Company and the Company and the relevant units have been deployed and expanded.

After considering the future development and financing plans of the Company, and the capital structure of the Group, in particular, current net liabilities in the last three years and high debt level as at 31 December 2017, and that lease financing is an important financing alternative for the Company,

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we are of the opinion that the proposed annual caps for the Continuing Connected Transactions are fair and reasonable so far as the Shareholders are concerned and in the interests of both the Company and the Shareholders as a whole.

E. Reasons for and Benefits of Entering into the Leasing and Factoring Business Cooperation Agreement

According to the Letter from the Board, since Shanghai Datang Financial Lease Company was incorporated on 31 March 2015, it has established a sound management structure with sufficient experienced financial professionals who possess expertise and experience in financial leasing and factoring businesses. In terms of professional ability, Shanghai Datang Financial Lease Company specializes in developing power-related projects and therefore is able to accumulate abundant experience in the area of businesses which the Company is engaging in. Further, since both of the Company and Shanghai Datang Financial Lease Company are subsidiaries of CDC, this therefore facilitates the communication and cooperation between the two parties. In view of the above, Shanghai Datang Financial Lease Company possesses strong and experienced professional management and personnel, strong ability in developing projects, prompt decision making and strategic planning abilities and therefore the Company believes that Shanghai Datang Financial Lease Company will be able to provide customized leasing and factoring business proposals for the Company.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, in particular:–

- (1) the debt level and capital structure of the Group;
- (2) the principal terms of the Leasing and Factoring Business Cooperation Agreement;
- (3) the pricing policy and control measures for the Continuing Connected Transactions;
- (4) the relevant policies and regulations regarding finance leasing in PRC;
- (5) the financial leasing and factoring contracts entered into between the Company's subsidiaries and Shanghai Datang Financial Lease Company and samples of interest rates collected from major domestic leasing companies in the PRC by the Company that we have reviewed;
- (6) the comparison with prevailing benchmark interest rates for one-year loans and three-year loans in RMB as announced by the People's Bank of China;
- (7) our discussion with the Company relating to the reasons for the relatively low utilisation rates of annual caps and fluctuating historical transaction amounts of financial lease between the Company and Shanghai Datang Financial Lease Company for the period from 11 September 2015 to 30 April 2018;

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- (8) the expectation that more competitive and favourable financial leasing terms will be provided in the future by Shanghai Datang Financial Lease Company, which was only established in 2015;
- (9) the future development and financing plans of the Company;
- (10) the borrowing cost of the long-term loans, medium-term notes and corporate bonds of the Group;
- (11) the average effective borrowing rate of finance lease of the Group as at 31 December 2017; and
- (12) the customized services and professional expertise provided by Shanghai Datang Financial Lease Company,

we are of the opinion that the terms of the Leasing and Factoring Business Cooperation Agreement and the proposed annual caps of the Continuing Connected Transactions, are on normal commercial terms or better, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the ordinary and usual course of business of the Group, and entering into the Leasing and Factoring Business Cooperation Agreement is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Leasing and Factoring Business Cooperation Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,

For and on behalf of

Trinity Corporate Finance Limited

Keith Jacobsen

Joanne Pong

Responsible Officer

Responsible Officer

Mr. Keith Jacobsen and Ms. Joanne Pong are licensed persons registered with the Securities and Futures Commission and responsible officers of Trinity Corporate Finance Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities. Mr. Keith Jacobsen and Ms. Joanne Pong have over 25 years and 17 years of experience in the corporate finance industry respectively.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY**Interest of Directors, supervisors and chief executive of the Company**

- (a) As at the Latest Practicable Date, save as disclosed below, so far as known to the Board, none of the Directors, supervisors and chief executive of the Company have any interests and short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, chief executive or supervisor is taken or deemed to have under such provisions of the SFO); or which was required to be entered into the register required to be kept by the Company under section 352 of the SFO; or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

Name of Director	Long position/ short position	Capacity/nature of interest	Number of A-shares held	Approximate percentage of the total issued share capital of the Company ^(Note)
Mr. Liu Jizhen	Long position	Beneficial interest	9,100	0.00000049%

Note: The percentage is calculated based on the 18,506,710,504 issued shares of the Company as at the Latest Practicable Date.

- (b) As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company has any direct or indirect interest in any assets which have since 31 December 2017, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Interest of substantial shareholders of the Company

- (c) As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company has any direct or indirect interest or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

4. INTEREST IN ASSETS OR CONTRACT

As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any assets, contract or arrangement entered into by any member of the Group, and which was significant in relation to the business of the Group.

5. MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors of the Company and its subsidiaries, or their respective associates has interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries.

7. EXPERT AND CONSENT

- (a) The following sets out the qualification of the expert which has given its opinion or advice as contained in this circular:

Name	Qualification
Trinity Corporate Finance Limited	a licensed corporation under the SFO permitted to conduct type 6 (advising on corporate finance) regulated activities for the purposes of the SFO

The letter and recommendation from the above expert is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, the above expert:–

- (b) did not have any shareholding, direct or indirect, in any members of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group;
- (c) did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any members of the Group, or which are proposed to be acquired or disposed of by or leased to any members of the Group since 31 December 2017, the date to which the latest published audited financial statements of the Company were made up; and
- (d) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.

8. LITIGATION

No member of the Group is at present engaged in any litigation or arbitration of material importance to the Group and no litigation or claim of material importance to the Group is known to the Directors or the Company to be pending or threatened by or against any member of the Group.

9. MISCELLANEOUS

- (a) The registered office and office address of the Company is No. 9 Guangningbo Street, Xicheng District, Beijing, the PRC.
- (b) The principal place of business of the Company in Hong Kong is at c/o Eversheds Sutherland, 21/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong.
- (c) The Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The secretary to the Board of the Company is Mr. Ying Xuejun.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business in Hong Kong of the Company at 21/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 15 August 2018:

- (a) the memorandum and articles of association of the Company;
- (b) the letter from the Independent Board Committee;

- (c) the consent letter and the letter of advice from the Independent Financial Adviser;
- (d) the Leasing and Factoring Business Cooperation Agreement; and
- (e) this circular.