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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  
DISCLOSEABLE AND CONNECTED TRANSACTIONS  
ACQUISITIONS OF REMAINING EQUITY INTERESTS IN  
TARGET SUBSIDIARIES**

**EQUITY TRANSFER AGREEMENTS**

The Board is pleased to announce that on 30 August 2019, the Company entered into (i) the Liaoning Transfer Agreement, (ii) the Hebei Equity Transfer Agreement, (iii) the Inner Mongolia Equity Transfer Agreement, (iv) the Fujian Equity Transfer Agreement; and (v) the Yunnan Equity Transfer Agreement with the Vendor, pursuant to which the Company conditionally agreed to purchase and the Vendor conditionally agreed to sell (i) the Liaoning Sale Equity, (ii) the Hebei Sale Equity, (iii) the Inner Mongolia Sale Equity, (iv) the Fujian Sale Equity; and (v) the Yunnan Sale Equity, respectively, at a total consideration of RMB5,343,967,342.41.

As at the date of this announcement, as the Company owns 53.85% of the equity interest of Liaoning Renewable Power Company, 51.94% of the equity interest of Hebei Renewable Power Company, 51% of the equity interest of Inner Mongolia Renewable Power Company, 53.64% of the equity interest of Fujian Renewable Power Company and 60.91% of the equity interest of Yunnan Electric Power Company, each of the Target Subsidiaries is a non-wholly owned subsidiary of the Company. Upon completion of the Acquisitions, each of the Target Subsidiaries will become a wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of the Target Subsidiaries is a non-wholly owned subsidiary of the Company, and the remaining equity interest in each of the Target Subsidiaries is held by the Vendor. Therefore, the Vendor is a substantial shareholder of the Target Subsidiaries and a connected person of the Company at the subsidiary level. Accordingly, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Equity Transfer Agreements and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Equity Transfer Agreements and the transactions contemplated are fair and reasonable, and that the Equity Transfer Agreements are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisitions are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Furthermore, as the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisitions is more than 5% but less than 25%, the Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **EQUITY TRANSFER AGREEMENTS**

The Board is pleased to announce that on 30 August 2019, the Company entered into the (i) Liaoning Transfer Agreement, (ii) the Hebei Equity Transfer Agreement, (iii) the Inner Mongolia Equity Transfer Agreement, (iv) the Fujian Equity Transfer Agreement; and (v) the Yunnan Equity Transfer Agreement with the Vendor, pursuant to which the Company conditionally agreed to purchase and the Vendor conditionally agreed to sell (i) the Liaoning Sale Equity, (ii) the Hebei Sale Equity, (iii) the Inner Mongolia Sale Equity, (iv) the Fujian Sale Equity; and (v) the Yunnan Sale Equity, respectively, at a total consideration of RMB5,343,967,342.41.

As at the date of this announcement, as the Company owns 53.85% of the equity interest of Liaoning Renewable Power Company, 51.94% of the equity interest of Hebei Renewable Power Company, 51% of the equity interest of Inner Mongolia Renewable Power Company, 53.64% of the equity interest of Fujian Renewable Power Company and 60.91% of the equity interest of Yunnan Electric Power Company, each of the Target Subsidiaries is a non-wholly owned subsidiary of the Company. Upon completion of the Acquisitions, each of the Target Subsidiaries will become a wholly-owned subsidiary of the Company.

The terms of the Equity Transfer Agreements are substantially the same, which are set out as follows:

**Date**

30 August 2019

**Parties**

- (A) the Company (as transferee); and
- (B) the Vendor (as transferor)

**Subject matter**

The Vendor conditionally agreed to sell, and the Company conditionally agreed to acquire, (i) the Liaoning Sale Equity, (ii) the Hebei Sale Equity, (iii) the Inner Mongolia Sale Equity, (iv) the Fujian Sale Equity; and (v) the Yunnan Sale Equity, subject to the terms and conditions as set out in the respective Equity Transfer Agreements.

**Consideration and payment terms**

The total consideration (including the expenses related to the Acquisitions) for the Acquisitions payable by the Company to the Vendor under all the Equity Transfer Agreements is RMB5,343,967,342.41, which comprises:

- (i) RMB986,962,961.74 for the Liaoning Sale Equity;
- (ii) RMB987,189,456.86 for the Hebei Sale Equity;
- (iii) RMB700,370,622.35 for the Inner Mongolia Sale Equity;
- (iv) RMB560,803,707.31 for the Fujian Sale Equity; and
- (v) RMB2,108,640,594.15 for the Yunnan Sale Equity.

The amount of consideration under each of the Equity Transfer Agreements was determined after arm's length negotiations between the Vendor and the Company with reference to among others, (i) the investment income based on the 5.2% annual return on investment; (ii) the number of days of holding the equity interest by the Vendor, as well as (iii) the other related expenses; and deducting the accumulated investment return that has been paid to the Vendor by the Target Subsidiaries.

The consideration under each of the Equity Transfer Agreements is payable in lump sum and via bank transfer by the Company to the designated bank account of the Vendor on 30 August 2019.

## Completion

Under each of the Equity Transfer Agreements, the date of completion is the same as the date on which the full amount of consideration under that agreement has been paid in full. Thereafter, the Vendor shall:

- (a) no longer be entitled to any rights in respect of the underlying equity interest or be responsible for any duties and obligations in respect of the underlying equity interest; and
- (b) cooperate with the Company to complete the change in registration procedures in respect of the equity interests within 20 Business Days from the date of completion.

## INFORMATION ON THE TARGET SUBSIDIARIES

### (1) Liaoning Renewable Power Company

Liaoning Renewable Power Company is a company established in the PRC with limited liability. As at the date of this announcement, Liaoning Renewable Power Company is owned as to 53.85% by the Company and as to 46.15% by the Vendor. It is principally engaged in the management of operating wind power and photovoltaic projects, with an installed capacity of 687,500 kilowatts.

The summary of the audited financial information of Liaoning Renewable Power Company for the years ended 31 December 2017 and 2018 is set out below:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Profit before taxation	277	280
Profit after taxation	224	224

The audited net asset value of Liaoning Renewable Power Company was approximately RMB2.767 billion as at 31 December 2018. The unaudited net asset value of Liaoning Renewable Power Company was approximately RMB2.925 billion as at 30 June 2019.

### (2) Hebei Renewable Power Company

Hebei Renewable Power Company is a company established in the PRC with limited liability. As at the date of this announcement, Hebei Renewable Power Company is owned as to 51.94% by the Company and as to 48.06% by the Vendor. It is principally engaged in the management and operation of wind power projects, with an installed capacity of 489,000 kilowatts.

The summary of the audited financial information of Hebei Renewable Power Company for the years ended 31 December 2017 and 2018 is set out below:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Profit before taxation	226	211
Profit after taxation	182	159

The audited net asset value of Hebei Renewable Power Company was approximately RMB2.237 billion as at 31 December 2018. The unaudited net asset value of Hebei Renewable Power Company was approximately RMB2.333 billion as at 30 June 2019.

### (3) Inner Mongolia Renewable Power Company

Inner Mongolia Renewable Power Company is a company established in the PRC with limited liability. As at the date of this announcement, Inner Mongolia Renewable Power Company is owned as to 51% by the Company and as to 49% by the Vendor. It is principally engaged in the management and operation of wind power and photovoltaic projects, with an installed capacity of 312,250 kilowatts.

The summary of the audited financial information of Inner Mongolia Renewable Power Company for the years ended 31 December 2017 and 2018 is set out below:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Profit before taxation	90	81
Profit after taxation	79	78

The audited net asset value of Inner Mongolia Renewable Power Company was approximately RMB1.467 billion as at 31 December 2018. The unaudited net asset value of Inner Mongolia Renewable Power Company was approximately RMB1.513 billion as at 30 June 2019.

#### (4) Fujian Renewable Power Company

Fujian Renewable Power Company is a company established in the PRC with limited liability. As at the date of this announcement, Fujian Renewable Power Company is owned as to 53.64% by the Company and as to 46.36% by the Vendor. It is principally engaged in the management and operation of wind power projects, with an installed capacity of 177,600 kilowatts.

The summary of the audited financial information of Fujian Renewable Power Company for the years ended 31 December 2017 and 2018 is set out below:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Profit before taxation	46	29
Profit after taxation	33	17

The audited net asset value of Fujian Renewable Power Company was approximately RMB945 million as at 31 December 2018. The unaudited net asset value of Fujian Renewable Power Company was approximately RMB966 million as at 30 June 2019.

#### (5) Yunnan Electric Power Company

Yunnan Electric Power Company is a company established in the PRC with limited liability. As at the date of this announcement, Yunnan Electric Power Company is owned as to 60.91% by the Company and as to 39.09% by the Vendor. It is principally engaged in the management of operating coal-fired power, hydropower and photovoltaic projects, with an installed capacity of 2,653,000 kilowatts.

The summary of the audited financial information of Yunnan Electric Power Company for the years ended 31 December 2017 and 2018 is set out below:

	<b>For the year ended 31 December 2017</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Profit/(loss) before taxation	(606)	(56)
Profit/(loss) after taxation	(606)	(58)

The audited net asset value of Yunnan Electric Power Company was approximately RMB1.287 billion as at 31 December 2018. The unaudited net asset value of Yunnan Electric Power Company was approximately RMB1.114 billion as at 30 June 2019.

## **INFORMATION ON THE COMPANY AND THE VENDOR**

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 main service areas of the Company are in the PRC.

The Vendor was established in the PRC on 11 March 2013 with a registered capital of RMB 120 million. It mainly operates specific customer asset management businesses and other businesses licensed by the China Securities Regulatory Commission.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Acquisitions will adjust and optimize the shareholding structure of the Group, improve the Company's management and operational efficiency, and further improve the Company's profitability. Upon completion of the Acquisitions, Liaoning Renewable Power Company, Hebei Renewable Power Company, Inner Mongolia Renewable Power Company, Fujian Renewable Power Company and Yunnan Electric Power Company will become wholly-owned subsidiaries of the Company. The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are fair and reasonable, and the Equity Transfer Agreements are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **APPROVAL OF THE BOARD**

The third meeting of the tenth session of the Board (including the independent non-executive Directors) has considered and approved the "Resolution on Repurchase of Equity Interests of Five Subsidiaries Including Liaoning Datang International Renewable Power Company Limited", details of which were set out in the overseas regulatory announcement of the Company dated 30 August 2019 in relation to the resolutions of the Board.

None of the Directors has any material interest in the transactions contemplated under the Equity Transfer Agreements. No connected Directors are required to abstain from voting on resolutions in relation to the Equity Transfer Agreements.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of the Target Subsidiaries is a non-wholly owned subsidiary of the Company, and the remaining equity interest in each of the Target Subsidiaries is held by the Vendor. Therefore, the Vendor is a substantial shareholder of the Target Subsidiaries and a connected person of the Company at the subsidiary level. Accordingly, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Equity Transfer Agreements and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Equity Transfer Agreements and the transactions contemplated are fair and reasonable, and that the Equity Transfer Agreements are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisitions are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Furthermore, as the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisitions is more than 5% but less than 25%, the Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Acquisitions”	the acquisitions of Liaoning Sale Equity, Hebei Sale Equity, Inner Mongolia Sale Equity, Fujian Sale Equity and Yunnan Sale Equity by the Company from the Vendor pursuant to the terms and conditions of the respective Equity Transfer Agreements
“Board”	the board of Directors



“Business Days”	calendar days, excluding Saturdays, Sundays and all statutory holidays in the PRC
“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 London Stock Exchange and whose A shares are listed on the Shanghai Stock Exchange
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreements”	collectively, (i) the Liaoning Equity Transfer Agreement, (ii) the Hebei Equity Transfer Agreement, (iii) the Inner Mongolia Equity Transfer Agreement, (iv) the Fujian Equity Transfer Agreement; and (v) the Yunnan Equity Transfer Agreement
“Fujian Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and the Vendor on 30 August 2019 in respect of the transfer of the Fujian Sale Equity from the Vendor to the Company
“Fujian Renewable Power Company”	Fujian Datang International Renewable Power Company Limited, a company established in the PRC, which is a non-wholly subsidiary of the Company as at the date of this announcement and is mainly responsible for the management and operation of wind power projects, with an installed capacity of 177,600 kilowatts
“Fujian Sale Equity”	the Vendor’s 46.36% equity interest in Fujian Renewable Power Company
“Group”	the Company and its subsidiaries
“Hebei Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and the Vendor on 30 August 2019 in respect of the transfer of the Hebei Sale Equity from the Vendor to the Company
“Hebei Renewable Power Company”	Hebei Datang International Renewable Power Company Limited, a company established in the PRC, which is a non-wholly subsidiary of the Company as at the date of this announcement and is principally engaged in for the management and operation of wind power projects, with an installed capacity of 489,000 kilowatts
“Hebei Sale Equity”	the Vendor’s 48.06% equity interest in Hebei Renewable Power Company

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Inner Mongolia Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and the Vendor on 30 August 2019 in respect of the transfer of the Inner Mongolia Sale Equity from the Vendor to the Company
“Inner Mongolia Renewable Power Company”	Inner Mongolia Datang International Renewable Power Company Limited, a company established in the PRC, which is a non-wholly subsidiary of the Company as at the date of this announcement and is principally engaged in the management and operation of wind power and photovoltaic projects, with an installed capacity of 312,250 kilowatts
“Inner Mongolia Sale Equity”	the Vendor’s 49% equity interest in Inner Mongolia Renewable Power Company
“Liaoning Renewable Power Company”	Liaoning Datang International Renewable Power Company Limited, a company established in the PRC, which is a non-wholly owned subsidiary of the Company as at the date of this announcement and is principally engaged in the management of operating wind power and photovoltaic projects, with an installed capacity of 687,500 kilowatts
“Liaoning Sale Equity”	the Vendor’s 46.15% equity interest in Liaoning Renewable Power Company
“Liaoning Transfer Agreement”	the equity transfer agreement entered into between the Company and the Vendor on 30 August 2019 in respect of the transfer of the Liaoning Sale Equity from the Vendor to the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Target Subsidiaries”	collectively, (i) Liaoning Renewable Power Company, (ii) Hebei Renewable Power Company, (iii) Inner Mongolia Renewable Power Company, (iv) Fujian Renewable Power Company and (v) Yunnan Electric Power Company
“Vendor”	Everbright Prestige Capital Asset Management Co., Ltd* (首譽光控資產管理有限公司), a company established in the PRC with limited liability
“Yunnan Electric Power Company”	Yunnan Datang International Electric Power Company Limited, a company established in the PRC, which is a non-wholly subsidiary of the Company as at the date of this announcement and is principally engaged in the management and operation of coal-fired power, hydropower and photovoltaic projects, with an installed capacity of 2,653,000 kilowatts
“Yunnan Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and the Vendor on 30 August 2019 in respect of the transfer of the Yunnan Sale Equity from the Vendor to the Company
“Yunnan Sale Equity”	the Vendor’s 39.09% equity interest in Yunnan Electric Power Company
“%”	per cent.

By Order of the Board  
**Jiang Jinming**  
*Company Secretary*

Beijing, the PRC, 30 August 2019

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

*Chen Feihu, Wang Sen, 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 Director*