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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)

**MAJOR TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS
2019 FINANCIAL BUSINESS COOPERATION AGREEMENT**

**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 4 to 12 of this circular. A letter from the Independent Board Committee is set out on pages 13 to 14 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 15 to 28 of this circular.

18 October 2019

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DEFINITIONS

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

“2016 Financial Business Cooperation Agreement”	the financial business cooperation agreement entered into between the Company and Datang Lease Company on 1 September 2016
“2019 Financial Business Cooperation Agreement”	the financial business cooperation agreement entered into between the Company and Datang Lease Company on 25 July 2019
“Board”	the board of Directors
“CDC”	China Datang Corporation Ltd., 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 Relevant Parties” of this circular
“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 Relevant Parties” of this circular
“connected person”	has the same meaning ascribed to it under the Listing Rules
“connected transaction”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Datang Lease Company”	Datang Financial Lease Co., Ltd., (大唐融資租賃有限公司), a company established under the laws of the PRC and a subsidiary of CDC. For details, please refer to the section headed “Information of the Relevant Parties” of this circular
“Director(s)”	the director(s) of the Company
“EGM”	the 2019 second extraordinary general meeting to be held by the Company to consider and approve, among others, the transactions under the 2019 Financial Business Cooperation Agreement
“Group”	the Company and its subsidiaries

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Liu Jizhen, Mr. Feng Genfu, Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu, established to advise the Independent Shareholders in respect of the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Trinity Corporate Finance Limited, a licensed corporation under the SFO permitted to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholder(s) other than CDC, its associates and any other Shareholder who has a material interest in the transactions contemplated under the 2019 Financial Business Cooperation Agreement
“Latest Practicable Date”	15 October 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“major transaction”	has the same meaning ascribed to it under the Listing Rules
“Other Service Providers”	domestic companies in the PRC providing services which are same and/or similar to those provided by Datang Lease Company under the 2019 Financial Business Cooperation Agreement
“PRC”	the People’s Republic of China
“Previous Transactions”	collectively, (i) the transactions contemplated under the factoring business cooperation agreement entered into between the Company and Datang Commercial Factoring Company Limited on 27 May 2019, details of which were disclosed in the announcement of the Company dated 27 May 2019; and (ii) the transactions contemplated under the leasing and factoring business cooperation agreement entered into between the Company and Shanghai Datang Financial Lease Co., Ltd. on 4 July 2018, details of which were disclosed in the announcement of the Company dated 4 July 2018 and the circular of the Company dated 31 July 2018

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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. Liang Yongpan

Non-executive Directors:

Mr. Chen Feihu (*Chairman*)
Mr. Wang Sen (*Vice Chairman*)
Mr. Ying Xuejun
Mr. Cao Xin
Mr. Zhao Xianguo
Mr. Zhu Shaowen
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
37/F, One Taikoo Place
Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

18 October 2019

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS
2019 FINANCIAL BUSINESS COOPERATION AGREEMENT**

Reference is made to (i) the announcement of the Company dated 25 July 2019 in relation to the 2019 Financial Business Cooperation Agreement; and (ii) the announcement dated 1 September 2016, the circular dated 30 September 2016, and the announcement dated 27 October 2016 published by the Company in respect of, among other things, the 2016 Financial Business Cooperation Agreement.

LETTER FROM THE BOARD

The 2016 Financial Business Cooperation Agreement has expired on 31 August 2019. As the parties intend to continue to enter into transactions of a similar nature from time to time after 31 August 2019, the Board announced on 25 July 2019 that the Company entered into the 2019 Financial Business Cooperation Agreement with Datang Lease Company, on terms which are similar to those of the 2016 Financial Business Cooperation Agreement.

The purposes of this circular are to, among other things, (i) provide you with details of the 2019 Financial Business Cooperation Agreement; (ii) set out the letter of recommendation of the Independent Board Committee to the Independent Shareholders in respect of the transactions under the 2019 Financial 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 transactions contemplated under the 2019 Financial Business Cooperation Agreement.

2019 FINANCIAL BUSINESS COOPERATION AGREEMENT

Date

25 July 2019

Parties

- (i) The Company; and
- (ii) Datang Lease Company, a subsidiary of CDC

Subject matter

Pursuant to the 2019 Financial Business Cooperation Agreement, Datang Lease Company shall provide financial business support and economic consulting services to the Company and its subsidiaries for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the 2019 Financial Business Cooperation Agreement. The financial business support services to be provided by Datang Lease Company under the 2019 Financial Business Cooperation Agreement relate to financial leasing, factoring and entrustment loan services.

The parties may, during the term of the agreement, enter into specific contracts in accordance with the terms of the 2019 Financial Business Cooperation Agreement, and such specific contracts shall be subject to the terms of the 2019 Financial Business Cooperation Agreement.

Term of the agreement

A term of 36 months, from 1 September 2019 to 31 August 2022.

LETTER FROM THE BOARD

Major terms of the agreement

- (1) Pursuant to the 2019 Financial Business Cooperation Agreement, the Company will become a substantial client and a long-term business partner of Datang Lease Company and Datang Lease Company shall provide premium financial support for the Company such as financial leasing services, factoring of account receivables and entrusted loan services in compliance with the relevant laws and regulations of the PRC.
- (2) In accordance with the business principles of a financial leasing company and subject to compliance with the state policy and the relevant laws and regulations of the PRC, Datang Lease Company shall provide financial business support, including but not limited to financial leasing, account receivables factoring and entrusted loans, to the Company in respect of the Company's key investment and construction projects in sectors such as thermal power, hydropower, wind power and recycling economy for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the 2019 Financial Business Cooperation Agreement.
- (3) Leveraging on its professional advantage in the financial business, Datang Lease Company shall provide the Company with various economic consulting services, such as investment and fund raising consultation, financial advisory, financial leasing consulting, factoring products design and transaction arrangements.
- (4) Datang Lease Company shall, upon thorough negotiations with the Company, select appropriate lessees and projects and shall design and offer customised leasing and factoring business proposals within the scope of the Company's business development and plan.

Effective date of the agreement

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

Pricing policy and internal control measures

Datang Lease Company shall provide the Company with the most favourable rates for fees according to the needs of the Company, taking into account the relevant policies and regulations of the PRC, the supply of and demand for capital in the market as well as the structural features of different products. The general rates for fees shall be equivalent to or more favourable than those offered by Other Service Providers. Datang Lease Company shall help the Company to reduce the finance costs and optimise the financial structure while ensuring that the capital needs of the Company are met.

Prior to cooperation with Datang Lease Company, the Company shall collect information about the terms of the relevant transactions and their respective interest rates from at least 3 Other Service Providers that are independent of the Company and its connected persons. Examples of such other service providers include Cornerstone International Financial Leasing Co., Ltd. (基石國際融資租賃有限公司), ICBC Financial Leasing Co., Ltd. (工銀金融租賃有限公司), CMB Financial Leasing Co., Ltd. (招銀金融租賃

LETTER FROM THE BOARD

有限公司), Bank of Communications Finance Leasing Co., Ltd. (交銀金融租賃有限責任公司) and CCB Financial Leasing Co., Ltd. (建信金融租賃有限公司), all of which have expressed their intention to cooperate with the Company. The Company shall compare the terms offered by these Other Service Providers 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 fees of the relevant transactions shall be equivalent to or more favourable than those offered by Other Service Providers, and strive for the maximisation of the Company's overall interests.

Each of the Other Service Providers is to provide a preliminary quotation on the terms of the relevant transaction and their respective interest rates within two days of receipt of request from the Company. The finance department of the Company shall compare the quotations received and select the company with the lowest quote within two days of receipt of all quotations. Provided that the quotations of such companies fall below the benchmark interest rate on term loans issued by the People's Bank of China: (i) where there are two or more companies quoting the same fee, the Company shall further enquire whether the fee can be lowered and select the company with the lowest fee; (ii) if there remains companies with final quotes being the same, the Company shall select the one with the quickest internal approval procedure; and (iii) if all the conditions remain equal, Datang Lease Company shall be selected on the basis of convenience.

If the quotations of the Other Service Providers are above the benchmark interest rate on term loans issued by the People's Bank of China, the Company shall seek other financing means.

The above-mentioned pricing policy applies to the the various types of financial services under the 2019 Financial Business Cooperation Agreement, including the financial leasing services, factoring services and entrustment loan services.

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 2019 Financial 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.

The external auditors of the Company will report by issuing a letter to the Board every year on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions (including the transactions contemplated under the 2019 Financial Business Cooperation Agreement) of the Company conducted during the preceding financial year pursuant to the Listing Rules.

The independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions of the Company throughout the preceding financial year and confirm on the transactional amounts and terms of the continuing connected transactions in the annual report of the Company pursuant to the requirements under the Listing Rules, and to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the relevant agreements governing the continuing connected transactions.

LETTER FROM THE BOARD

The above-mentioned internal control measures apply to the various types of financial services under the 2019 Financial Business Cooperation Agreement, including the financial leasing services, factoring services and entrustment loan services.

Historical transactions

The historical transaction amounts under the 2016 Financial Business Cooperation Agreement for the four months ended 31 December 2016, the two years ended 31 December 2018 and the eight months ended 31 August 2019 are as below:

	From 1 September 2016 to 31 December 2016	From 1 January 2017 to 31 December 2017	From 1 January 2018 to 31 December 2018	From 1 January 2019 to 31 August 2019
Historical transaction amounts	RMB0	RMB35 million	RMB513 million	RMB839 million
Annual caps	RMB1 billion	RMB5 billion	RMB5 billion	RMB4 billion

Annual caps

The Company expects that the annual caps of the proposed transactions under the 2019 Financial Business Cooperation Agreement are as below:

	From 1 September 2019 to 31 December 2019	From 1 January 2020 to 31 December 2020	From 1 January 2021 to 31 December 2021	From 1 January 2022 to 31 August 2022
Annual caps under the 2019 Financial Business Cooperation Agreement	RMB3 billion	RMB10 billion	RMB10 billion	RMB7 billion

The above proposed annual caps are determined with reference to the historical transaction amount for the eight months ended 31 August 2019 as well as the financial plan of the Company including the financial leasing services, entrusted loans services and factoring services under the 2019 Financial Business Cooperation Agreement. Such financial plan mainly considered the expected capital needs of the Group in the 36 months commencing from 1 September 2019 for various projects, such as (i) the “Replacing Small Capacity Units with Large Capacity Ones” 2×1000MW thermal power project of Guangdong Datang International Leizhou Power Plant, with a planned investment of approximately RMB8.661 billion; (ii) the thermal power project of Liaoning Datang International Huludao Power Plant, with a planned investment of approximately RMB2.905 billion; and (iii) the 700MW thermal power project of Hebei Datang International Tangshan Beijiao Power Plant, with a planned investment of approximately RMB2.801 billion. It is anticipated that, for the four months ending 31 December 2019, Datang Lease Company will provide financial business support to the Company and its subsidiaries in the amount of at least RMB2 billion for the

LETTER FROM THE BOARD

following reasons: (i) the Fujian Pingtan offshore wind power project of the Company proposes to obtain financing from Datang Lease Company ranging from RMB1 billion to RMB1.5 billion; (ii) as certain competitive-bidding and grid-connected photovoltaic projects the Company will need to complete on-grid power generation before 30 December 2019, the Company proposes to obtain financing from Datang Lease Company in the amount from approximately RMB0.2 billion to approximately RMB0.3 billion; and (iii) the wind power and thermal power projects of certain subsidiaries of the Company in the regions such as Liaoning, Inner Mongolia and Hebei will have leasing business needs in the amount from RMB0.5 billion to 1 billion. Overall, the annual caps are determined after considering the Company's financial plans and the conditions of the financing market.

The Company will ensure that the transaction amounts with Datang Lease Company in respect of transactions under the 2019 Financial Business Cooperation Agreement will fall within the de minimis threshold stipulated under Rule 14A.76 of the Listing Rules before the approval of the 2019 Financial Business Cooperation Agreement by the Independent Shareholders.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2019 FINANCIAL BUSINESS COOPERATION AGREEMENT

Through entering into the 2019 Financial Business Cooperation Agreement, the Company is able to obtain financial support and relevant financing services at an interest rate lower than the market rate, which allows the Company to further reduce its overall capital costs; enhance the bargaining power of the Company and the relevant member in its group when conducting financial leasing and other businesses with Other Service Providers.

At the same time, Datang Lease Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able to provide more convenient, effective and efficient financial leasing and other services for the Company when compared to those services provided by Other Service Providers.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the 2019 Financial Business Cooperation Agreement are fair and reasonable, have been entered into after arm's length negotiations and determined on normal commercial terms and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

APPROVAL OF THE BOARD

The thirty fifth meeting of the ninth session of the Board has considered and approved the "Resolution on Entering into the 2019 Financial Business Cooperation Agreement with Datang Financial Lease Co., Ltd.", details of which were set out in the overseas regulatory announcement of the Company dated 29 April 2019.

As at the Latest Practicable Date, none of the Directors has any material interest in the 2019 Financial Business Cooperation Agreement. Those connected Directors, including Chen Feihu, Wang Sen 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 RELEVANT 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 main service areas of the Company are in the PRC.
2. CDC was established on 9 March 2003 with registered capital of RMB37.0 billion. It is principally engaged in the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as the export and import of various commodities and technologies for itself or as agent.
3. Datang Lease Company was established in the PRC on 28 November 2012 and is an indirect subsidiary of CDC with a registered capital of RMB2 billion. Datang Lease Company is held by the Company and the subsidiaries of CDC as to 20% and 80%, respectively. The scope of principal business of Datang Lease Company includes financial leasing business, leasing business, acquisition of leased properties from overseas, treatment and maintenance of residual value of leased properties, consulting of lease transactions, and factoring business relating to its principal business.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CDC, the controlling shareholder of the Company, together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company. Since Datang Lease Company is a subsidiary of CDC, Datang Lease Company is a connected person of the Company. Accordingly, the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the 2019 Financial Business Cooperation Agreement were aggregated with the Previous Transactions and treated as if they were one transaction.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2019 Financial Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 5%, the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder are subject to the annual review, reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2019 Financial Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 25% but less than 75%, the 2019 Financial Business

LETTER FROM THE BOARD

Cooperation Agreement and the transactions contemplated thereunder constitute major transactions of the Company, and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM AND CONNECTED PERSONS WHO ARE REQUIRED TO ABSTAIN FROM VOTING ON THE RESOLUTIONS

The Company will convene the EGM to consider and approve, among other things, the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transactions and its associates will abstain from voting at the general meeting to be held by the Company to, including but not limited to, consider and approve the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder. 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 2019 Financial 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 under the 2019 Financial Business Cooperation Agreement and shall abstain from voting at the resolution(s) in relation to the approval of the transactions contemplated under the 2019 Financial Business Cooperation Agreement at the EGM.

RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee as set out on pages 13 to 14 of this circular which contains its recommendation to the Independent Shareholders on the terms of the transactions contemplated under the 2019 Financial Business Cooperation Agreement. Your attention is also drawn to the letter of advice received from the Independent Financial Adviser as set out on pages 15 to 28 of this circular which contains, among other things, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the transactions contemplated under the 2019 Financial Business Cooperation Agreement, the casting of votes for or against the resolution(s) approving the transactions contemplated under the 2019 Financial 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 terms of the transactions contemplated under the 2019 Financial 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 in the ordinary and usual course of business of the Company, 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.

LETTER FROM THE BOARD

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 appendices to this circular.

Yours faithfully,
By Order of the Board of
Datang International Power Generation Co., Ltd.
Jiang Jinming
Company Secretary

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

18 October 2019

To the Independent Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS 2019 FINANCIAL BUSINESS COOPERATION AGREEMENT

We refer to the circular issued by the Company to the Shareholders dated 18 October 2019 (the “**Circular**”) of which this letter forms 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 2019 Financial Business Cooperation Agreement constitute continuing connected transactions of the Company.

We have been appointed as the Independent Board Committee to consider the terms of the transactions under the 2019 Financial Business Cooperation Agreement and to advise the Independent Shareholders in connection with transactions under the 2019 Financial Business Cooperation Agreement as to whether, in our opinion, the terms of the transactions under the 2019 Financial Business Cooperation Agreement are fair and reasonable and whether the entering into of the transactions under the 2019 Financial Business Cooperation Agreement is in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser 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 the Independent Financial Adviser as set out in this circular. Having considered the principal factors and reasons considered by, and the advice of the Independent Financial Adviser as set out in its letter of advice, we consider that the entering into of the transactions under the 2019 Financial Business Cooperation Agreement is on normal commercial terms. We also consider that the terms of the transactions under the 2019 Financial Business

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Cooperation Agreement are fair and reasonable so far as the Shareholders are concerned and that the entering into of the transactions under the 2019 Financial Business Cooperation Agreement is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to approve the transactions under the 2019 Financial Business Cooperation Agreement 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders, in respect of the transactions under the 2019 Financial Business Cooperation Agreement, which has been prepared for the purpose of inclusion in this circular.

TRINITY

Trinity Corporate Finance Limited

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

18 October 2019

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

Dear Sirs,

MAJOR TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS 2019 FINANCIAL 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 2019 Financial Business Cooperation Agreement, details of which are set out in the Letter from the Board (the “**Letter from the Board**”) in the Company’s circular dated 18 October 2019 (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.

The 2016 Financial Business Cooperation Agreement has expired on 31 August 2019. On 25 July 2019, the Company entered into the 2019 Financial Business Cooperation Agreement with Datang Lease Company, on terms which are similar to that of the 2016 Financial Business Cooperation Agreement. Pursuant to the 2019 Financial Business Cooperation Agreement, Datang Lease Company shall provide financial services support (including but not limited to financial leasing, factoring and entrustment loan services) and economic consulting services to the Company and its subsidiaries for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the 2019 Financial Business Cooperation Agreement. The term of the agreement shall commence from 1 September 2019 and shall continue up to and including 31 August 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, CDC is the controlling shareholder of the Company, which together with its subsidiaries, holds a total of 53.09% of the issued share capital of the Company. Since Datang Lease Company is a subsidiary of CDC, Datang Lease Company is a connected person of the Company and the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Pursuant to Rules 14.22 and 14A.81 of the Listing Rules, the transactions contemplated under the 2019 Financial Business Cooperation Agreement were aggregated with the Previous Transactions and treated as if they were one transaction.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2019 Financial Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 5%, the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder are subject to the annual review, reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2019 Financial Business Cooperation Agreement, when aggregated with the Previous Transactions, is more than 25% but less than 75%, the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder constitute major transactions of the Company, and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transaction and its associates will abstain from voting at the general meeting to be held by the Company to, including but not limited to, consider and approve the 2019 Financial Business Cooperation Agreement and the transactions thereunder. Therefore, CDC and its associates shall abstain from voting at the general meeting to approve the 2019 Financial Business Cooperation Agreement and the transactions thereunder.

An Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Liu Jizhen, Mr. Feng Genfu, Mr. Luo Zhongwei, Mr. Liu Huangsong and Mr. Jiang Fuxiu) has been formed to advise the Independent Shareholders on the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder. 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 (details of which were set out in the two circulars of the Company both dated 28 February 2018), the Leasing and Factoring Business Cooperation Agreement (details of which were set out in the circular of the Company dated 31 July 2018) and the Comprehensive Product and Service Framework Agreement (details of which were set out in the circular of the Company dated 11 March 2019). Apart from normal professional fees paid to us in connection with such

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

appointments, 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 have not conducted any independent in-depth investigation into the business and affairs of the Group or any parties involved in the transactions contemplated under the 2019 Financial Business Cooperation Agreement.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the 2019 Financial Business Cooperation Agreement 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 2019 Financial Business Cooperation Agreement, 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 and thermal power, the repair and maintenance of power equipment and power-related technical services, with its main service areas located in the PRC.

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The power generation businesses of the Company and its subsidiaries cover 20 provinces, municipalities and autonomous regions across the country, whereas coal-fired power generators of the Company are centralised in the Beijing-Tianjin-Hebei and southeast coastal regions. Most of the hydropower projects are located in the southwest region. Wind power and photovoltaic power projects are distributed across the country in areas with abundant resources.

As at 31 December 2018, the total consolidated assets of the Company and its subsidiaries amounted to approximately RMB288.250 billion. Total installed capacity under management of the Company amounted to 62,853.30MW.

B. Financial Performance of the Company

For the year ended 31 December 2018, under the condition that coal prices continued to stay at a high level, positive operating results were achieved by the Company through seizing advantages such as the rapid growth rate of electricity consumption of the entire society and improvement in consumption of clean energy. The power generation of the Company accumulated to 269.704 billion kWh, representing a year-on-year increase of 5.31% as compared to the restated power generation in 2017; the on-grid power generation accumulated to 254.612 billion kWh, representing a year-on-year increase of 5.26% as compared to the restated on-grid power generation in 2017; operating revenue was approximately RMB93,390 million, representing a year-on-year increase of 10.93% as compared to the previous year; net profit attributable to equity holders of the Company was approximately RMB1,232 million.

As of 31 December 2018, the total consolidated assets of the Group amounted to approximately RMB288,250 million, representing a year-on-year increase of RMB9,127 million; the total consolidated liabilities of the Group amounted to approximately RMB217,760 million, representing a year-on-year increase of RMB10,716 million.

The following table is a summary of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the Group for the three years ended 31 December 2016, 2017 and 2018 respectively, as extracted from the annual reports of the Company.

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(In millions of RMB)	For the year ended/as at 31 December 2016 (audited) (restated)	For the year ended/as at 31 December 2017 (audited) (restated)	For the year ended/as at 31 December 2018 (audited)
Operating Revenue	75,829	84,185	93,390
Profit before tax	10,832	2,858	4,166
Profit for the year	11,069	2,181	2,788
Profit for the year attributable to owners of the Company	4,954	1,495	1,232
Total assets	276,263	279,123	288,250
Total liabilities	204,768	207,044	217,760
Equity attributable to owners of the Company	50,955	52,247	45,475

During the year ended 31 December 2018, the Group realized a consolidated operating revenue of approximately RMB93,390 million, representing an increase of approximately 10.93% compared with the previous year, which was mainly attributable to the year-on-year increase of 8.61% in revenue from power generation segment. Total operating costs of the Group amounted to approximately RMB84,021 million, representing an increase of approximately RMB7,450 million or approximately 9.73% compared with the previous year, which was mainly attributable to the year-on-year increase of 6.95% in the operating costs of power generation segment. Finance costs of the Group amounted to approximately RMB7,647 million, representing an increase of approximately RMB773 million or approximately 11.25% over the previous year. The increase was primarily due to the increase in the scale of financing and the commencement of operation of the new power generating units. The Group reported a total profit before tax amounting to approximately RMB4,166 million, representing an increase of approximately 45.77% compared with the previous year. Net profit attributable to equity holders of the Company amounted to approximately RMB1,232 million, while net profit attributable to equity holders of the Company for the year of 2017 amounted to approximately RMB1,495 million. Power generation segment of the Company realized a total profit before tax of approximately RMB4,459 million, representing a year-on-year increase of approximately RMB1,106 million.

As of 31 December 2018, total assets of the Group amounted to approximately RMB288,250 million, representing an increase of approximately RMB9,127 million over the previous year. The increase in total assets was mainly due to an increase in cash balance by 78.00% as at the end of the reporting period compared with the beginning of the reporting period, which was mainly due to the fact that the proceeds of A-Shares raised were not yet used up and financing was secured as at the end of the year. Total liabilities of the Group amounted to approximately RMB217,760 million, representing an increase of approximately RMB10,716 million compared with the previous year. The increase in total liabilities was mainly due to an increase of 20.87% in current liabilities, which was mainly caused by the super short-term debentures issued by the Company with total financing amount of RMB16,000 million, closing balance of RMB11,000 million as at the end of the period and no closing balance of nil as at the end of the previous period. Net profit attributable to equity holders of

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the Company amounted to approximately RMB1,232 million, representing a decrease of approximately RMB263 million compared with the previous year. Net asset value per share attributable to equity holders of the Company amounted to approximately RMB2.73, representing a decrease of approximately RMB1.19 per share compared with the previous year.

As at 31 December 2018, the assets-to-liabilities ratio of the Group was approximately 75.55%. The net debt-to-equity ratio (i.e. (loans + short-term bonds + long-term bonds – cash and cash equivalents)/total equity) was approximately 233.87%. As at 31 December 2018, cash and cash equivalents of the Group amounted to approximately RMB11,542 million, among which deposits that were equivalent to approximately RMB22 million were foreign currency deposits. The Group had no entrusted deposits and overdue fixed deposits during the year. As at 31 December 2018, short-term loans of the Group amounted to approximately RMB24,772 million, bearing annual interest rates ranging from 3.4029% to 7.5%. Long-term loans (excluding those repayable within one year) amounted to approximately RMB105,649 million and long-term loans repayable within one year amounted to approximately RMB16,160 million. Long-term loans (including those repayable within one year) were at annual interest rates ranging from 1.2% to 6.2225%. Loans equivalent to approximately RMB107 million were denominated in US dollar. The Group paid close attention to foreign exchange market fluctuations and cautiously assessed risks.

C. Principal Terms of the 2019 Financial Business Cooperation Agreement

As mentioned in the Letter from the Board, on 25 July 2019, the Company entered into the 2019 Financial Business Cooperation Agreement with Datang Lease Company.

Datang Lease Company was established in the PRC on 28 November 2012 and is an indirect subsidiary of CDC with a registered capital of RMB2 billion. Datang Lease Company is held by the Company and the subsidiaries of CDC as to 20% and 80%, respectively. The scope of principal business of Datang Lease Company includes financial leasing business, leasing business, acquisition of leased properties from overseas, treatment and maintenance of residual value of leased properties, consulting of lease transactions, and factoring business relating to its principal business.

CDC was established on 9 April 2003 with a registered capital of RMB37.0 billion. It is principally engaged in the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as the export and import of various commodities and technologies for itself or as agent.

(1) Subject matter:

Pursuant to the 2019 Financial Business Cooperation Agreement, Datang Lease Company shall provide financial business support and economic consulting services to the Company and its subsidiaries for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the 2019 Financial Business Cooperation Agreement. The

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financial business support services to be provided by Datang Lease Company under the 2019 Financial Business Cooperation Agreement relate to financial leasing, factoring and entrustment loan services.

The parties may, during the term of the agreement, enter into specific contracts in accordance with the terms of the 2019 Financial Business Cooperation Agreement, and such specific contracts shall be subject to the terms of the 2019 Financial Business Cooperation Agreement.

(2) *Term and effective date of the agreement:*

The 2019 Financial Business Cooperation Agreement has a term of 36 months, commencing from 1 September 2019 to 31 August 2022. The agreement shall become effective when it is duly signed by the parties and affixed with their respective company seals and upon the approval by the Independent Shareholders at the general meeting of the Company.

(3) *Major terms of the agreement:*

- (i) Pursuant to the 2019 Financial Business Cooperation Agreement, the Company will become a substantial client and a long-term business partner of Datang Lease Company and Datang Lease Company shall provide premium financial support for the Company such as financial leasing services, factoring of account receivables and entrusted loan services in compliance with the relevant laws and regulations of the PRC.
- (ii) In accordance with the business principles of a financial leasing company and subject to compliance with the state policy and the relevant laws and regulations of the PRC, Datang Lease Company shall provide financial business support, including but not limited to financial leasing, account receivables factoring and entrusted loans, to the Company in respect of the Company's key investment and construction projects in sectors such as thermal power, hydropower, wind power and recycling economy for an aggregate value of not exceeding RMB10 billion for every 12 months from the effective date of the 2019 Financial Business Cooperation Agreement.
- (iii) Leveraging on its professional advantage in the financial business, Datang Lease Company shall provide the Company with various economic consulting services, such as investment and fund raising consultation, financial advisory, financial leasing consulting, factoring products design and transaction arrangements.
- (iv) Datang Lease Company shall, upon thorough negotiations with the Company, select appropriate lessees and projects and shall design and offer customised leasing and factoring business proposals within the scope of the Company's business development and plan.

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(4) Pricing policy and internal control measures:

- (i) Datang Lease Company shall provide the Company with the most favourable rates for fees according to the needs of the Company, taking into account the relevant policies and regulations of the PRC, the supply of and demand for capital in the market as well as the structural features of different products. The general rates for fees shall be equivalent to or more favourable than those offered by Other Service Providers. Datang Lease Company shall help the Company to reduce the finance costs and optimise the financial structure while ensuring that the capital needs of the Company are met.
- (ii) Prior to cooperation with Datang Lease Company, the Company shall collect information about the terms of the relevant transactions and their respective interest rates from at least 3 Other Service Providers that are independent of the Company and its connected persons. Examples of such other service providers include Cornerstone International Financial Leasing Co., Ltd. (基石國際融資租賃有限公司), ICBC Financial Leasing Co., Ltd. (工銀金融租賃有限公司), CMB Financial Leasing Co., Ltd. (招銀金融租賃有限公司), Bank of Communications Finance Leasing Co., Ltd. (交銀金融租賃有限責任公司) and CCB Financial Leasing Co., Ltd. (建信金融租賃有限公司), all of which have expressed their intention to cooperate with the Company. The Company shall compare the terms offered by these Other Service Providers 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 fees of the relevant transactions shall be equivalent to or more favourable than those offered by Other Service Providers, and strive for the maximisation of the Company's overall interests.

Each of the Other Service Provider is to provide a preliminary quotation on the terms of the relevant transaction and their respective interest rates within two days of receipt of request from the Company. The finance department of the Company shall compare the quotations received and select the company with the lowest quote within two days of receipt of all quotations. Provided that the quotations of such companies fall below the benchmark interest rate on term loans issued by the People's Bank of China: (i) where there are two or more companies quoting the same fee, the Company shall further enquire whether the fee can be lowered and select the company with the lowest fee; (ii) if there remains companies with final quotes being the same, the Company shall select the one with the quickest internal approval procedure; and (iii) if all the conditions remain equal, Datang Lease Company shall be selected on the basis of convenience.

If the quotations of the Other Service Providers are above the benchmark interest rate on term loans issued by the People's Bank of China, the Company shall seek other financing means.

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The above-mentioned pricing policy applies to the various types of financial services under the 2019 Financial Business Cooperation Agreement, including the financial leasing services, factoring services and entrustment loan services.

- (iii) 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 2019 Financial 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.

The external auditors of the Company will report by issuing a letter to the Board every year on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions (including the transactions contemplated under the 2019 Financial Business Cooperation Agreement) of the Company conducted during the preceding financial year pursuant to the Listing Rules.

The independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions of the Company throughout the preceding financial year and confirm on the transactional amounts and terms of the continuing connected transactions in the annual report of the Company pursuant to the requirements under the Listing Rules, and to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the relevant agreements governing the continuing connected transactions.

The above-mentioned internal control measures apply to the various types of financial services under the 2019 Financial Business Cooperation Agreement, including the financial leasing services, factoring services and entrustment loan services.

We are given to understand from the Company that transactions of financial leasing services will be subject to the approval of different departments of the Group, namely, finance management department, department of securities and capital operation and department of legal affairs. Accordingly, we have reviewed two samples of historical transactions entered into between the Company and Datang Lease Company and conducted sample checks on the approval process of the historical transactions and noted that the approval forms were properly counter-signed to confirm the approval by the respective units on the terms of the transactions and the approval of the terms, including inter alia, the interest rates, by the finance department. We were advised by the Company that the samples are randomly selected from recent transactions and as we noted that the dates of application for approval of the respective sample

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transactions were spread out in 2019, namely on 17 January 2019 and 10 June 2019, we consider the sample size is sufficient in concluding our view that the above pricing policies were properly followed and that the interest rates of the transactions between the Company and Datang Lease Company are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are able to ensure that the Company will achieve terms which are on normal commercial terms or better. Also, based on the contents of the approval forms reviewed by us which include the approvals of the transactions by the respective units together with their comments made during their assessment of the transactions, we consider the internal control measures were properly followed.

We have discussed with the Company about the pricing policy and understand that the Company will collect market information from time to time as reference for the purpose of comparison under the price control procedures, including interest rates obtained from other major domestic leasing company that is independent of the Company and its connected persons. We consider that the price control procedures will enable the Company to compare terms from different service providers with market interest rates and effectively ensure the terms from Datang Lease Company are on normal commercial terms or better.

Also, we have reviewed the list of transactions monitored by the Company for the year ended 31 December 2018 and for the six months ended 30 June 2019, which confirms that the finance management department of the Company has been closely monitoring the annual caps as well as the terms of the continuing connected transactions in accordance with the Company's pricing policy and internal control measures to ensure they are no less favourable to the Company than terms available to or from an Independent Third Party.

After considering the above factors, we are of the opinion that the continuing connected transactions are conducted on normal commercial terms or better and not prejudicial to the interests of the Company and the Independent Shareholders.

D. Historical Transaction Amounts and New Annual Caps

The historical transaction amounts under the 2016 Financial Business Cooperation Agreement for the four months ended 31 December 2016, the two years ended 31 December 2018 and the eight months ended 31 August 2019 are set out as follows:

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(In RMB million)	From 1 September 2016 to 31 December 2016	From 1 January 2017 to 31 December 2017	From 1 January 2018 to 31 December 2018	From 1 January 2019 to 31 August 2019 <i>(note)</i>
Historical transaction amounts	0	35	513	839
Annual caps under the 2016 Financial Business Cooperation Agreement	1,000	5,000	5,000	4,000
Utilisation rate	0%	0.70%	10.26%	20.98%

Note: As the figures in respect of the transaction amount for the eight months ended 31 August 2019 are not yet available, the above figure is an estimate only. The Company confirms that the relevant transaction amount for the eight months ended 31 August 2019 will not exceed the annual cap.

The annual caps of the proposed transactions under the 2019 Financial Business Cooperation Agreement are as follows:

(In RMB million)	From 1 September 2019 to 31 December 2019	From 1 January 2020 to 31 December 2020	From 1 January 2021 to 31 December 2021	From 1 January 2022 to 31 August 2022
Annual caps under the 2019 Financial Business Cooperation Agreement	3,000	10,000	10,000	7,000

According to the Letter from the Board, the above proposed annual caps are determined with reference to the historical transaction amount for the eight months ended 31 August 2019 as well as the financial plan of the Company including the financial leasing services, entrusted loans services and factoring services under the 2019 Financial Business Cooperation Agreement. Such financial plan mainly considered the expected capital needs of the Group in the 36 months commencing from 1 September 2019 for various projects, such as (i) the “Replacing Small Capacity Units with Large Capacity Ones” 2×1000MW thermal power project of Guangdong Datang International Leizhou Power Plant, with a planned investment of approximately RMB8.661 billion; (ii) the thermal power project of Liaoning Datang International Huludao Power Plant, with a planned investment of approximately RMB2.905 billion; and (iii) the 700MW thermal power project of Hebei Datang International Tangshan Beijiao Power Plant, with a planned investment of approximately RMB2.801 billion.

We note that the historical transaction amounts have a utilization rate that ranges from 0% to 20.98%. Based on our discussion with the Company, the historical transactions were not close to full utilization of the respective caps since the pricing policy only allows the Company to accept terms from Datang Lease Company that are equivalent to or more favourable than those offered by other

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domestic financial leasing companies in the PRC, to ensure that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. We have discussed with the Company and it is expected that the future transaction amounts may increase partly due to a possible reduction in the financing cost to be provided by Datang Lease Company.

In addition, we have also discussed with the Company and confirm that the main underlying reasons for the annual caps as set out above are necessitated by the expected increase in capital needs as a result of the Company's future financial plan which includes three key projects that will require total planned investments amounting to RMB14.367 billion. The three key projects are expected to commence in the 36 months commencing from 1 September 2019 which are new projects that were not included as part of the Group's financial plan when the 2016 Financial Business Cooperation Agreement was entered into.

We also note that the historical transaction amount for the period from 1 January 2019 to 31 August 2019 was RMB839 million while the annual cap for the period from 1 September 2019 to 31 December 2019 is set at RMB3 billion. In this connection, we have discussed with the management of the Company and are given to understand that the Company anticipates, for the four months ending 31 December 2019, Datang Lease Company will provide financial business support to the Company and its subsidiaries in the amount of at least RMB2 billion for the following reasons: (i) the Fujian Pingtan offshore wind power project of the Company proposes to obtain financing from Datang Lease Company ranging from RMB1 billion to RMB1.5 billion; (ii) as certain competitive-bidding and grid-connected photovoltaic projects the Company will need to complete on-grid power generation before 30 December 2019, the Company proposes to obtain financing from Datang Lease Company in the amount from approximately RMB0.2 billion to approximately RMB0.3 billion; and (iii) the wind power and thermal power projects of certain subsidiaries of the Company in the regions such as Liaoning, Inner Mongolia and Hebei will have leasing business needs in the amount from RMB0.5 billion to 1 billion. Overall, the annual caps are determined after considering the Company's financial plans and the conditions of the financing market. As such, given the estimated transaction amount will expect to increase by at least RMB2 billion before 31 December 2019, we consider the annual cap for the period from 1 September 2019 to 31 December 2019 to be fair and reasonable.

Given that there will be substantial increase in the expected capital needs of the Company as stated above, we consider that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole for the annual caps to be set at the respective amounts above in order to cater to the increasing needs for financial leasing services, entrusted loans services and factoring services in the 36 months commencing from 1 September 2019.

E. Reasons for and Benefits of entering into the 2019 Financial Business Cooperation Agreement

Through entering into the 2019 Financial Business Cooperation Agreement, the Company is able to obtain financial support and relevant financing services at an interest rate lower than the market rate, which allows the Company to further reduce its overall capital costs; enhance the bargaining power of the Company and the relevant member in its group when conducting financial leasing and other businesses with Other Service Providers.

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At the same time, Datang Lease Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able to provide more convenient, effective and efficient financial leasing and other services for the Company when compared to those services provided by Other Service Providers.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the 2019 Financial Business Cooperation Agreement are fair and reasonable, have been entered into after arm's length negotiations and determined on normal commercial terms and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

We agree that the pricing policy and internal control measures as well as principles of transactions set out above will ensure that the terms and conditions for transactions under the 2019 Financial Business Cooperation Agreement will be on normal commercial terms or better and hence will be in the interests of the Company and its Shareholders, including Independent Shareholders, as a whole.

RECOMMENDATION

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

- (1) the principal businesses of the Company and Datang Lease Company;
- (2) the pricing policy and internal control measures as well as the principles of transactions, which ensures that the pricing and other terms and conditions shall be on normal commercial terms or better and will be similar to or more favourable than that with an Independent Third Party;
- (3) the historical transaction amounts and underlying reasons for setting the annual caps of the 2019 Financial Business Cooperation Agreement; and
- (4) the reasons for and benefits to the Company by entering into the 2019 Financial Business Cooperation Agreement;

we are of the opinion that the terms and the proposed annual caps of the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, and the entering into of the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would advise the Independent Shareholders and the

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Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the 2019 Financial Business Cooperation Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
Trinity Corporate Finance Limited
Joanne Pong
Responsible Officer

(1) FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for the year ended 31 December 2016 has been disclosed on pages 104 to 245 of the annual report of the Company for the year ended 31 December 2016 published on 13 April 2017 (<http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0413/LTN20170413858.pdf>); (ii) for the year ended 31 December 2017 has been disclosed on pages 105 to 245 of the annual report of the Company for the year ended 31 December 2017 published on 23 April 2018 (<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0423/LTN20180423756.pdf>); (iii) for the year ended 31 December 2018 has been disclosed on pages 89 to 241 of the annual report of the Company for the year ended 31 December 2018 published on 25 April 2019 (<http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0425/LTN201904251709.pdf>); and (iv) for the six months ended 30 June 2019 has been disclosed on pages 20 to 50 of the interim report of the Company for the six months ended 30 June 2019 published on 20 September 2019 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0920/ltn20190920083.pdf>).

All the above annual reports and interim report of the Company have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.dtpower.com).

(2) FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Looking into the second half of 2019, the Company will, on the basis of the results achieved in the first half of 2019, continue to thoroughly implement our new development concept, consolidate the good momentum for development, steadily promote successful completion of various goals, and strive to build a first-class listed company with sound governance, excellent performance and good image, and that is accountable to its shareholders, responsible for its employees and favoured by investors.

1. Ensuring safety and stability of production. Adhering to “systematic management and revealing ins and outs by style (制度管總、作風兜底)”, the Company will reinforce accountability towards safe production and seriously abide by production discipline to ensure production safety, infrastructure safety, environmental safety and network safety. The Company will make arrangements to prevent and control floods during the summit of summer precipitation, strengthen the investigation of hidden dangers as well as maintenance management to ensure safety and stable operation of generating units.
2. Making efforts to increase profit and create benefits. The Company will plan overall production and operation and comprehensively improve economic efficiency focusing on key enterprises in key regions. Holding on to key indicators, coordinating key tasks such as power generation, energy saving, coal blending, cost reduction and efficiency improvement and debt reduction, the Company will strive to secure government support on preferential policies such as tax cuts and fee reductions and adopt various measures to spare no effort in the critical task of increasing profits and creating benefits.
3. Striving to improve standard governance. The Company will further improve its management system, comprehensively strengthen its compliance with laws as well as internal control and prevent and defuse legal risks. The Company will strictly abide by laws and regulations in the capital market, standardize connected transactions and ensure compliance operation of listed

companies. Relying on the platform function of capital market, it will better operate resources, assets, capital and funds, maximise the energy of listed companies, enhance market value and improve market image.

4. Dedicated to promoting high-quality development. Adhering to the concept of new development, the Company will scientifically plan its strategic development, industrial positioning and regional positioning as well as accelerate the formation of a new pattern of high-quality development in which “wind, light, gas and service” projects go hand in hand with clean and efficient coal power by focusing on strategic opportunities such as the coordinated development of Beijing-Tianjin-Hebei region, the integration of Yangtze River Delta and Guangdong-Hong Kong-Macau Greater Bay Area. We will actively explore land-based centralised and decentralised wind power as well as large-scale photovoltaic project resources, actively participate in the competitive allocation of grid parity and ultra-high voltage base delivery projects, and fully develop various renewable energy project resources. The Company will also actively promote the approval of key coal-fired power projects and the construction of urban clean heating supply and heat network projects, fully implement the annual production plan, and continue to consolidate the Company’s competitiveness in the electricity market.

(3) INDEBTEDNESS

As at the close of business on 31 August 2019, being the latest practicable date for the purpose of this statement of indebtedness and contingent liabilities prior to the printing of this circular, the Group had unaudited outstanding interest-bearing debts of approximately RMB179,696,036,475.12, comprising borrowings from financial institutions of approximately RMB151,493,526,027.76, and outstanding bonds of approximately RMB16,967,217,018.05, and outstanding financial lease payables of approximately RMB11,235,293,429.31, among which:

- (i) for borrowings from financial institutions, the guaranteed borrowings amounted to approximately RMB6,166,899,251.63, the secured and pledged borrowings amounted to approximately RMB22,923,188,699.23, and the unsecured and unguaranteed borrowings amounted to approximately RMB122,403,438,076.9;
- (ii) for outstanding bonds, the guaranteed bonds amounted to approximately RMB8,971,217,018.05, there was no secured and pledged bonds, and the unsecured, unpledged and unguaranteed bonds amounted to approximately RMB7,996,000,000; and
- (iii) for outstanding financial lease payables, the guaranteed financial lease payables amounted to approximately RMB1,062,979,141.62, the secured financial lease payables amounted to approximately RMB541,513,700.87, and the unsecured and unguaranteed financial lease payables amounted to approximately RMB9,630,800,586.82.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptances credits, guarantees or contingent liabilities outstanding at the close of business on 31 August 2019.

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since the close of business on 31 August 2019.

(4) WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present available banking facilities and the internally generated resources of the Group, the Group has sufficient working capital for its requirements with the next 12 months from the date of this circular.

(5) FINANCIAL EFFECTS OF ENTERING INTO THE 2019 FINANCIAL BUSINESS COOPERATION AGREEMENT

The entering into of the 2019 Financial Business Cooperation Agreement between the Company and Datang Lease Company are beneficial to the Company to obtain financing support and relevant financing services at a lower-than-market interest rate, so as to further lower its capital costs; and to further strengthen the Company's and relevant unit's bargaining power when conducting the financing leasing business with other leasing companies. Meanwhile, Datang Lease Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able 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. However, the Company does not expect to develop dependency on Datang Lease Company on acquiring such services, and the entering into of the 2019 Financial Business Cooperation Agreement will not hinder the Company from considering to enter into similar agreements with other financial lease companies when deemed necessary.

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

Interest of Directors, supervisors and chief executive of the Company

As at the Latest Practicable Date, save as disclosed below, to the best knowledge of the Directors, supervisors and chief executive of the Company, none of the Directors, supervisors or chief executive of the Company have any interest or short position 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: (i) 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, supervisor or chief executive is taken or deemed to have under such provisions of the SFO); (ii) to be entered into the register required to be kept by the Company under section 352 of the SFO; or (iii) 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 issued share capital of the Company ⁽¹⁾
Mr. Liu Jizhen	Long position	Beneficial interest	9,100	0.000049%

Note:

- (1) The percentage is calculated based on the 18,506,710,504 issued shares of the Company as at the Latest Practicable Date.

Interest of substantial shareholders of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors, supervisors and chief executive of the Company, the interest and short positions of the substantial shareholders in the issued share capital of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of Shareholder	Class of Shares	No. of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
CDC (<i>Note 1</i>)	A shares	6,540,706,520	35.34	52.76	/
	A shares	8,738,600	0.05	0.07	/
	H shares	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Tianjin Jinneng Investment Co., Ltd. (<i>Note 2</i>)	A shares	1,296,012,600	7.00	10.46	/
Hebei Construction & Investment Group Co., Ltd. (<i>Note 3</i>)	A shares	1,281,872,927	6.93	10.34	/
Beijing Energy Investment Holding Co., Ltd.	A shares	1,260,988,672	6.81	10.17	/

(L) = Long Position

Notes:

- (1) Mr. Chen Feihu and Mr. Wang Sen, who are currently non-executive Directors, are employees of CDC.
- (2) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Co., Ltd.
- (3) Mr. Cao Xin and Mr. Zhao Xiangguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd.

As at the Latest Practicable Date, save as disclosed above and to the best knowledge of the Directors, supervisors and chief executive of the Company, (i) no person had any interests or short positions in the shares or underlying shares of the Company which were required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company; and (ii) none of the Directors, supervisors or chief executive of the Company was also a director or employee of a company which had an interest or short position 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 CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company had any direct or indirect interest in any assets which had been, since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any contracts or arrangements entered into by any member of the Group, which were subsisting as at the Latest Practicable Date and which were significant in relation to the business of the Group.

5. MATERIAL CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up, and including the Latest Practicable Date.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, proposed Directors or their respective close associates had any interests in a business which competes or was likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

7. EXPERT AND CONSENT

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

Name	Qualification
<i>Trinity Corporate Finance Limited</i>	a licensed corporation under the SFO permitted to conduct Type 6 (advising on corporate finance) regulated activities under the SFO

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

- (a) 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 member of the Group;

- (b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up; and
- (c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and its letter in the form and context in which they respectively appear.

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

8. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance to the Group, and no litigation, arbitration or claim of material importance to the Group was pending or threatened against any member of the Group.

9. MISCELLANEOUS

- (a) The registered office 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, 37/F, One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, 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 joint company secretaries of the Company are Mr. Jiang Jinming and Mr. Mok Chung Kwan, Stephen. Mr. Jiang is a senior accountant and Mr. Mok is a practising solicitor in Hong Kong.

10. MATERIAL CONTRACTS

Capitalised terms used in this section headed "MATERIAL CONTRACTS" shall, unless the context otherwise requires, have the same meanings as those defined in (i) the circular of the Company dated 22 February 2018 in respect of the acquisition of Datang Anhui Power Generation Co., Ltd (大唐安徽發電有限公司), Datang Hebei Power Generation Co., Ltd (大唐河北發電有限公司) and Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司) from CDC, (ii) the circulars of the Company dated 28 February 2018 in respect of the Franchising Contracts, the EPC Project Contracts and the Comprehensive Product and Service Framework Agreement, (iii) the circular of the Company dated 31 July 2018 in respect of the Leasing and Factoring Business Cooperation Agreement and (iv) the circular of the Company dated 11 March 2019 in respect of the Comprehensive Product and Service Framework Agreement.

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following material contracts, not being contracts entered into in the ordinary course of business, were entered into by the Group:

- (i) 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 100% equity interests held by CDC in each of Hebei Company, Anhui Company and Heilongjiang Company from CDC (as the vendor) at an aggregate consideration of RMB 18,127.51 million. The Transfer Agreement became effective on 16 March 2018 upon obtaining the Independent Shareholders' approval.
- (ii) On 18 January 2018, Leizhou Power Generation Company (a subsidiary of the Company) entered into the EPC Project Contracts with Datang Environment Industry Company (a controlled subsidiary of CDC), pursuant to which, Leizhou Power Generation Company engaged Datang Environment Industry Company to undertake EPC general contracting on the coal transportation system with transaction amount of RMB385.983.29 million. The EPC Project Contracts become effective from 16 March 2018 upon obtaining the Independent Shareholders' approval. The transactions contemplated under the EPC Project Contracts are specifically for the EPC contracting of the EPC Project, i.e. the project of the coal transportation system of Guangdong Datang International Leizhou Power Plant.
- (iii) On 18 January 2018, Leizhou Power Generation Company, Shendong Thermal Power Company, Huludao Thermal Power Company and Tangshan Beijiao Thermal Power Company (being subsidiaries of the Company) ("**Such Companies**") entered into various Franchising Contracts with Datang Environment Industry Company, pursuant to which Datang Environment Industry Company agreed to carry out the franchising of the Desulfurisation Assets or Denitrification Assets of the corresponding coal-fired power generating units of Such Companies and to invest in, design, construct, operate, maintain and manage the desulfurization or denitrification facilities effective from 16 March 2018 for the franchise period. The franchise period is the same as the operating period of the power generation facilities at which the franchise projects are located (i.e. estimated to be approximately 20 years). During the franchise period, Datang Environment Industry Company shall be entitled to the revenue from the desulfurization or denitrification tariffs and shall reimburse and compensate Such Companies for the costs incurred, including those for water and electricity, for desulfurization or denitrification.
- (iv) On 30 January 2018, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC in relation to the mutual supply of products and services between the Group and the CDC Group for a term commencing from 16 March 2018, i.e. the effective date upon obtaining the Independent Shareholders' approval, to 31 December 2018, pursuant to which:
 - (a) the CDC Group agreed to provide products and services, which include (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Infrastructure EPC Contracting, (iv) Technological Transformation, Operations Management and Repair and Maintenance, (v) Technical Supervision and

- Technical Services, (vi) Alternative Power Generation, (vii) Sale of Electricity (including sale of water, gas and other resources) and Electricity Entrustment Agency, (viii) Insurance Underwriting Business; and (ix) Property Management and other Logistical Services to the Group; and
- (b) the Group agreed to provide products and services, which include (i) Coal Supply and Transportation, (ii) Alternative Power Generation, (iii) Sale of Electricity, (iv) Operations Management and Repair and Maintenance; and (v) Property Lease to the CDC Group.
- (v) 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 would 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 for a term of 36 months commencing from the effective date, i.e. 21 December 2018 the date on which the Leasing and Factoring Business Cooperation Agreement was approved by the Independent Shareholders.
- (vi) On 23 January 2019, the Company entered into the Comprehensive Product and Service Framework Agreement with CDC in relation to the mutual supply of products and services between the Group and the CDC Group for a term commencing from 28 March 2019, i.e. the effective date upon obtaining the Independent Shareholders' approval to 31 December 2021, pursuant to which:
- (a) CDC Group agreed to provide products and services which included (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Technological Transformation, Operations Management and Repair and Maintenance, (iv) Technical Supervision and Technical Services, (v) Infrastructure EPC Contracting, (vi) Sale of Electricity (including sale of water, gas and other resources) and Electricity Entrustment Agency, (vii) Alternative Power Generation, (viii) Flue Gas Environmental Protection Facilities Franchising, (ix) Research and Development in Technological Projects, (x) Information System Development, (xi) Property Rights Brokerage Services; and (xii) Property Management and Other Logistical Services to the Group during the term of the Comprehensive Product and Service Framework Agreement; and
- (b) the Group agreed to provide products and services of which included (i) Coal Supply and Coal Transportation, (ii) Alternative Power Generation, (iii) Sale of Electricity, (iv) Operations management and Repair and Maintenance; and (v) the supply of water, electricity and gas in respect of Flue Gas Environmental Protection Facilities Franchising to the CDC Group during the term of the Comprehensive Product and Service Framework Agreement.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 37/F, One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong during normal business hours for 14 days from the date of this circular:

- (a) the articles of association of the Company;
- (b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this circular;
- (c) the annual reports of the Company for the years ended 31 December 2017 and 31 December 2018;
- (d) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in this circular;
- (e) the written consent referred to in the section headed "Expert and Consent" in this appendix;
- (f) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (g) the 2019 Financial Business Cooperation Agreement;
- (h) the circular of the Company dated 11 March 2019 in respect of continuing connected transactions; and
- (i) this circular.