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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Datang Corporation Renewable Power Co., Limited\***, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**中国大唐集团新能源股份有限公司**

China Datang Corporation Renewable Power Co., Limited\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01798)**

**MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCIAL SERVICES AGREEMENT  
MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCE LEASE BUSINESS  
FRAMEWORK AGREEMENT  
ADJUSTMENTS TO THE FINANCIAL BUDGET PLAN FOR 2023  
ADJUSTMENTS TO THE FINANCING PLAN FOR 2023  
AND  
NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2023**

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

**TRINITY**

**Trinity Corporate Finance Limited**

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A letter from the Board is set out on pages 1 to 25 of this circular. A letter from the Independent Board Committee, containing its advice to the Independent Shareholders, is set out on pages 26 to 27 of this circular. A letter from Trinity, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 28 to 53 of this circular.

The Company will convene the EGM at 10:00 a.m. on Thursday, 28 December 2023 at Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC. Notice of the EGM is set out on pages 64 to 65 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For Shareholders of H Shares, the form of proxy should be returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited and for Shareholders of Domestic Shares, the form of proxy should be returned to the Company's head office in the PRC, provided that the registered Shareholders and HKSCC Nominees Limited receiving the voting instructions from non-registered Shareholders shall return the completed form of proxy in person or by post by not less than 24 hours before the time fixed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting thereof should you so wish.

30 November 2023

\* *For identification purpose only*

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## DEFINITIONS

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

“Articles”	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CDC”	China Datang Corporation Ltd.* (中國大唐集團有限公司), a state-owned enterprise incorporated in the PRC, whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and is the controlling shareholder of the Company
“CDC Capital Holding”	China Datang Corporation Capital Holding Co., Limited* (中國大唐集團資本控股有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CDC
“CDC Group”	CDC and its subsidiaries, excluding the Group
“China” or “PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan Region
“Company”	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Stock Exchange (stock code: 01798)
“connected Directors”	any Director who is considered to have a material interest in the Financial Services Agreement and the Finance Lease Business Framework Agreement pursuant to Rules 2.15 and 2.16 of the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Datang Finance”	China Datang Finance Co., Ltd.* (中國大唐集團財務有限公司), a company incorporated in the PRC with limited liability and a controlling subsidiary of CDC
“DFL”	Datang Finance Leasing Co., Ltd.* (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CDC Capital Holding
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for and credited as fully paid in RMB by PRC citizens and/or PRC incorporated entities
“EGM”	the third extraordinary general meeting in 2023 to be held by the Company at Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC at 10:00 a.m. on Thursday, 28 December 2023
“Finance Lease”	the provision of finance lease on any Leasing Equipment by the lessor to any member of the Group pursuant to the Finance Lease Business Framework Agreement and other related services as may be agreed between the lessor and any member of the Group or the Company
“Finance Lease Business Framework Agreement”	the finance lease business framework agreement entered into by the Company and CDC Capital Holding on 21 November 2023
“Financial Services Agreement”	the financial services agreement entered into by the Company and Datang Finance on 21 November 2023
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange (stock code: 01798)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	Independent Board Committee of the Company, comprising Mr. Lo Mun Lam, Raymond, Mr. Yu Shunkun and Mr. Qin Haiyan, all being independent non-executive Directors of the Company, which has been formed to advise the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps
“Independent Financial Adviser” or “Trinity”	Trinity Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM or any adjourned meeting thereof for the relevant resolutions in respect of the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps
“Latest Practicable Date”	28 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Leasing Equipment”	any turbine, machinery, equipment or other property to be leased to the members of the Group or the Company by the lessor or to be sold by the members of the Group or the Company to, and then leased back from the lessor

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“major transaction(s)”	has the meaning ascribed to it under the Listing Rules
“NAFR”	National Administration of Financial Regulation
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
“Shanghai Leasing Company”	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CDC Capital Holding
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01798)

*Executive Director:*

Mr. Liu Guangming (*Chairman*)

*Non-executive Directors:*

Mr. Yu Fengwu

Mr. Liu Quancheng

Ms. Zhu Mei

Mr. Wang Shaoping

Mr. Shi Feng

*Independent Non-executive Directors:*

Mr. Lo Mun Lam, Raymond

Mr. Yu Shunkun

Mr. Qin Haiyan

*Registered office in the PRC:*

Room 6197, 6/F, Building 4  
Courtyard 49, Badachu Road  
Shijingshan District  
Beijing, the PRC

*Head office in the PRC:*

8/F, Building 1  
No. 1 Caishikou Street  
Xicheng District  
Beijing, the PRC

*Principal place of business in Hong Kong:*

40/F, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

30 November 2023

To the Shareholders:

**MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCIAL SERVICES AGREEMENT  
MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCE LEASE BUSINESS  
FRAMEWORK AGREEMENT  
ADJUSTMENTS TO THE FINANCIAL BUDGET PLAN FOR 2023  
ADJUSTMENTS TO THE FINANCING PLAN FOR 2023**

### INTRODUCTION

The purpose of this circular is to provide you with further information on the following resolutions, so as to enable you to make informed decisions on whether to vote for or against the resolutions to be proposed at the EGM for the relevant matters:

1. To consider and approve the resolution in relation to the deposit services contemplated under the Financial Services Agreement and their proposed annual caps for the three years ending 31 December 2026;
2. To consider and approve the resolution in relation to the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps for the three years ending 31 December 2026;
3. To consider and approve the resolution in relation to the adjustments to the financial budget plan for 2023; and
4. To consider and approve the resolution in relation to the adjustments to the financing plan for 2023.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 1. MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF FINANCIAL SERVICES AGREEMENT

Reference is made to the announcement dated 21 November 2023 of the Company in respect of, among others, the renewal of Financial Services Agreement between the Company and Datang Finance. The below set out the information for your perusal when considering the resolution in relation to the deposit services contemplated under the Financial Services Agreement and their proposed annual caps for the three years ending 31 December 2026.

#### (1) Financial Services Agreement

Further references are made to the announcement of the Company dated 20 October 2020 and the circular dated 13 November 2020 in relation to, among other things, entering into the financial services agreement between the Company and Datang Finance (the “**2020 Financial Services Agreement**”). As the agreement and annual caps of such continuing connected transactions will expire on 31 December 2023, the Company and Datang Finance renewed the 2020 Financial Services Agreement on 21 November 2023. The major terms of the Financial Services Agreement are as follows:

<b>Date</b>	21 November 2023
<b>Parties</b>	(i) the Company  (ii) Datang Finance
<b>Term of the agreement</b>	From 1 January 2024 to 31 December 2026
<b>Nature of transaction</b>	The services to be provided by Datang Finance to the Group include: deposits from customers; management of loan; management of the bill acceptance and discount services; provision of funds settlement and payment services; provision of entrusted loans and non-financing guarantee services; provision of financial advisory services for the Group’s bond financing. Datang Finance shall ensure the safety operation of its fund management system to protect the fund safety, and to control the asset liabilities risk so as to satisfy the payment needs of the Group.



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## LETTER FROM THE BOARD

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- Scope of services:**
- (1) Loan services;
  - (2) Deposit services; and
  - (3) Apart from the loan services and the deposit services, the other financial services provided by Datang Finance to the Group mainly include management of the bill acceptance and discount services; provision of funds settlement and payment services; provision of entrusted loans and non-financing guarantee services; provision of financial advisory services for the Group's bond financing ("**Other Financial Services**").

**Conditions precedent**                      The Financial Services Agreement shall become effective upon the Independent Shareholders' approval of the deposit services contemplated thereunder and their proposed annual caps.

**(2) Pricing Policy**

Datang Finance has undertaken to provide the aforementioned financial services to the Group based on the following pricing policies:

- (1) within the range for the floating deposit interests rates published by the PBOC and by reference to the benchmark deposit interest rate published by the PBOC, the deposit interest rate provided by Datang Finance to the Group shall not be lower than the equivalent deposit interest rate as offered by the national commercial banks in the PRC;
- (2) within the range for the floating loan interests rates published by the PBOC and by reference to the benchmark loan interest rate published by the PBOC, the loan interest rate granted by Datang Finance to the Group shall not be higher than the equivalent loan interest rate for the same type of loan service to the Group as charged by the national commercial banks in the PRC;

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## LETTER FROM THE BOARD

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- (3) the fees charged by Datang Finance for its provision of other financial services to the Group should not be higher than the rates charged by the other independent domestic financial institutions in the PRC for the services of the same or similar kind; and
- (4) the settlement expenses resulting from the funds settlement services provided by Datang Finance to the Group shall be borne by Datang Finance.

**(3) Historical Amounts**

Pursuant to the 2020 Financial Services Agreement, the annual caps of the daily maximum deposit balance (including any interest accrued thereon) placed by the Group with Datang Finance for each of the three years ending 31 December 2023 are RMB6.0 billion.

For the two years ended 31 December 2022 and the nine months ended 30 September 2023, the actual daily maximum deposit balance (including any interest accrued thereon) of the Group at Datang Finance amounted to RMB3,273 million, RMB5,713 million and RMB3,801 million, respectively.

**(4) Proposed Annual Caps and the Basis of Determination**

***Loan Services***

In view that the loan services to be provided by Datang Finance to the Group are on normal commercial terms (or more favourable commercial terms as to the Group) and that no security over the assets of the Group will be granted in respect of the loan services, the loan services could be exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules. Datang Finance will grant integrated credit facilities of RMB10 billion to the Group for each of the three years ending 31 December 2026, respectively.

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## LETTER FROM THE BOARD

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### *Deposit Services*

The Company proposes to set the daily maximum deposit balance (including any interest accrued thereon) at Datang Finance as RMB9.0 billion for each of the three years ending 31 December 2026 after taking into account of the following:

- (i) The historical amounts of deposit services for the two years ended 31 December 2022 and the nine months ended 30 September 2023 disclosed under the section headed “(3) Historical Amounts” above.
- (ii) The historic and expected revenue of the Group: partial revenue acquired by the Group is generally reflected in the deposits of the Group in the banks and Datang Finance. The increase in the Group’s revenue will directly impact the deposit balance of the Group in the banks and Datang Finance. The Group’s revenue amounted to RMB12,499.23 million in 2022, representing a year-on-year increase of 5.32% as compared to 2021, among which, the Group’s revenue from sales of electricity increased by 5.06% year on year to RMB12,408.96 million in 2022 from RMB11,811.63 million in 2021. The Group’s revenue is expected to continue to increase due to the further mitigation of the curtailment of wind power and the increase of the production capacity.
- (iii) The Group’s cash and cash equivalents and trade and bills receivables (which may turn into cash upon receipt) as at 30 September 2023 amounted to approximately RMB2.963 billion and RMB17.184 billion respectively, the sum of which (i.e. approximately RMB20.147 billion) is much higher than RMB9 billion. If trade and bills receivables are concentrated or available in short term, the amount of cash will increase substantially, which will lead to the increase in the Group’s deposits.

The Directors (including the independent non-executive Directors) consider that the above proposed deposit caps in respect of the deposit services are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### *Other Financial Services*

The Company expects that each of the percentage ratios applicable to the total fees payable by the Group to Datang Finance in respect of other financial services will be less than the de minimis threshold as set out in Rule 14A.76 of the Listing Rules. The Company will comply with the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules if the transaction amount of other financial services to be provided by Datang Finance to the Group under the Financial Services Agreement exceeds the relevant threshold.

#### **(5) Reasons for and Benefits of the Entering into of the Financial Services Agreement**

By entering into the Financial Services Agreement with Datang Finance, the Group is able to secure loans and other financing services at interest rates not higher than those offered by national commercial banks in the PRC under the same conditions during the same period, which assists in improving the overall standard of fund operation of the Company and enhancing the Group's bargaining power of external financing. The entering into of the Financial Services Agreement can also enable the Company to secure interest rates for deposits not lower than those offered by national commercial banks in the PRC under the same conditions during the same period and enjoy payment and settlement services with no handling fee, thereby increasing interest income on deposits and saving e-settlement costs. Due to the long-term relationship between the Group and Datang Finance, the Group expects that it will benefit from Datang Finance, which is familiar with the industry and operation of the Group. Through cooperation for many years, Datang Finance is familiar with the capital structure, business operation, financing needs, mode of cash flow and cash management of the Group, as well as the Group's entire financial management system, so it will be an advantage to provide the Group with more appropriate, effective and flexible services when compared with the independent national commercial banks in the PRC.

The Directors (including the independent non-executive Directors) consider that it is beneficial to the Company to continue to enter into the continuing connected transactions as such transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Additionally, the Directors (including the independent non-executive Directors) believe that such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### (6) Listing Rules Implications

As CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company as at the Latest Practicable Date, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

#### *Loan Services*

In respect of the loan services to be provided by Datang Finance to the Group, as the loan services are entered into on normal commercial terms (or more favourable commercial terms as to the Group) and no security over the assets of the Group will be granted in respect of the loan services, the loan services will constitute financial assistance to be provided by a connected person for the benefit of the Group pursuant to the Listing Rules. The loan services could be exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

#### *Deposit Services*

In respect of the deposit services to be provided by Datang Finance to the Group, as one or more of the percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) applicable to the deposit services is (are) more than 5%, the deposit services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. The Company will disclose the relevant details in the annual report and accounts of the Company to be published in the next year in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules.

In addition, as one or more of the percentage ratio(s) applicable to the deposit services is (are) more than 25%, the deposit services constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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### *Other Financial Services*

In respect of other financial services to be provided by Datang Finance to the Group, each of the percentage ratio(s) applicable to other financial services is below the de minimis threshold set out in Rule 14A.76 of the Listing Rules, therefore the provision of other financial services by Datang Finance to the Group is exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements of the Listing Rules. The Company will comply with the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules if the transaction amount of other financial services to be provided by Datang Finance to the Group under the Financial Services Agreement exceeds the relevant threshold.

### **(7) Internal Control Procedures and Corporate Governance Measures**

#### *Loan Services*

The internal control procedures adopted by the Company in relation to the loan services include, among others, during a certain period of time before the financing, the Company will take the initiative to locate independent national commercial banks in the PRC, inquire about the financing costs, undergo a comprehensive comparison according to the preferential conditions and interest rates and financing procedures given by each independent national commercial bank in the PRC in the negotiation process to determine the optimal choice to ensure that the Company's financing is most cost-effective.

#### *Deposit Services*

The Company has adopted internal control and monitoring procedures relating to the deposit services, including:

- (i) Before entering into any deposit arrangements with Datang Finance, the Company will negotiate with Datang Finance on an arm's length basis in respect of the deposit interest rate of the deposit services, and ensure that such interest rate is determined (1) by reference to and is not lower than the benchmark deposit interest rate then published by the PBOC for similar deposits for a similar term and in case of any change in the benchmark deposit interest rate, the deposit interest rate to be payable by Datang Finance shall be determined by reference to and not lower than such benchmark deposit interest rate; and (2) by reference to and is not lower than the deposit interest rates offered by at least four other independent national commercial banks in the PRC for similar deposit services on normal commercial terms. In the way, the Company will be able to ensure the deposit interest rate of the deposit services will not be less favourable than that published by PBOC for similar deposits for a similar term and that offered by four other independent national commercial banks in the PRC for similar deposits for a similar term;

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## LETTER FROM THE BOARD

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In the event that upon receiving deposit certificate which shows the deposit interest rate as offered by Datang Finance, and the Company notes that the deposit interest rate as offered by Datang Finance is less than the then negotiated deposit interest rate as offered by PBOC, the Company will require Datang Finance to provide the differences in the part of interest to the Company;

- (ii) Finance department of the Company will monitor the deposit services on a daily basis to ensure the proposed annual caps will not be exceeded;
- (iii) Finance department of the Company will report to the management of the Company, giving an update of the deposit arrangements entered into with Datang Finance on a monthly basis;
- (iv) Directors (including independent non-executive Directors) will review the transactions contemplated under the Financial Services Agreement each year, to ensure that the transactions under the Financial Services Agreement are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole; and
- (v) The auditor of the Company will perform annual reviews on the pricing and annual caps of such transactions.

### **(8) Capital Risk Control Measures**

- (i) Datang Finance will ensure the safe operation of the funds management information system, all of which has passed the security test in respect of the interface of online banking of commercial banks in the PRC and has reached the security standards for domestic commercial banks. The system has adopted the mode awarded with CA safety certificate verification to ensure the security of the funds of the Group;
- (ii) Datang Finance will ensure that it operates in strict compliance with the risk monitoring indicators for finance companies issued by the NAFR and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NAFR;
- (iii) CDC has undertaken to the NAFR that, in the event that Datang Finance is in urgent difficulty in making payment, CDC will increase capital accordingly based on the actual need to solve such problem; and
- (iv) Any balance of the Group's funds (after deducting the amount used for entrusted loans and the loans granted to the Group by Datang Finance) will be deposited into one or more commercial bank(s) as interbank deposits.

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## LETTER FROM THE BOARD

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**(9) Opinions of the Board**

Having considered the abovementioned pricing policies and basis for determination of proposed annual caps and reasons for and benefits of entering into the Financial Services Agreement, the Directors (excluding connected Directors, but including independent non-executive Directors) are of the view that the terms of the Financial Services Agreement are fair and reasonable and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Directors Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping and Mr. Shi Feng, being connected Directors by virtue of their positions in CDC Group, have abstained from voting on the resolution in relation to consideration and approval of the transactions contemplated under the Financial Services Agreement and their proposed annual caps at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Financial Services Agreement and their proposed annual caps and was required to abstain from voting on the relevant Board resolution.

**(10) Approval by Independent Shareholders**

Since the deposit services contemplated under the Financial Services Agreement and their proposed annual caps are subject to Independent Shareholders' approval, an Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and their proposed annual caps. Trinity has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same issue.

In view of the material interests of CDC in the transactions contemplated under the Financial Services Agreement, CDC (which is interested in an aggregate of approximately 65.61% of the total issued share capital of the Company as at the Latest Practicable Date) and its associate are required to abstain from voting on the resolution to be proposed by the Company at the EGM to approve the deposit services contemplated under the Financial Services Agreement and their proposed annual caps.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed in this circular, no other Shareholders will be required to abstain from voting in respect of relevant resolution.



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## LETTER FROM THE BOARD

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### (11) General Information

#### *Information on the Company*

The Company is a joint stock limited company incorporated in the PRC in September 2004. The Group is primarily engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; design, construction and installation, repair and maintenance of domestic and overseas power projects; import and export services of renewable energy equipment and technology; foreign investment; renewable energy-related consulting services.

#### *Information on CDC*

CDC is a state-owned enterprise established in the PRC. CDC is primarily engaged in the development, investment, construction, operation and management of power energy; organization of power (thermal) production and sales; manufacture, inspection and maintenance and commissioning of electric power equipment; power technology development and consultation, contracting and consulting of electric power engineering and electrical and environmental protection projects; development of new energy; and self-operating and being an agent for import and export of various goods and technologies (save for the goods and technologies the import or export of which is restricted or prohibited by the laws and regulations of the PRC).

#### *Information on Datang Finance*

Datang Finance was incorporated in the PRC as a non-bank financial institution in May 2005 and is a subsidiary of CDC. As at the Latest Practicable Date, CDC directly holds approximately 73.51% equity interest in Datang Finance, Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: DAT)) directly holds approximately 16.95% equity interest in Datang Finance, and other subsidiaries of CDC directly hold the remaining equity interest of approximately 9.54% in Datang Finance respectively. It is principally engaged in providing consultancy and agency service in relation to financial advisory, guarantee trust service and related services; assisting intra-group members in realizing receipt and payment of transaction amount; providing approved insurance agency services; serving as guarantees for loans of intra-group members; handling entrusted loan and entrusted investment between intra-group members; handling bill acceptances and discounting for intra-group members; conducting internal transfer settlement between intra-group members and designing of corresponding settlement and liquidation

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## LETTER FROM THE BOARD

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plan; absorbing deposits from intra-group members; dealing with loan and financial leasing for intra-group members; dealing with inter-bank offered credit; issuing finance company bonds upon approval; underwriting corporate bonds of intra-group members; making equity investments in financial institutions; and investment in negotiable securities, etc.

### 2. MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF FINANCE LEASE BUSINESS FRAMEWORK AGREEMENT

Reference is made to the announcement dated 21 November 2023 of the Company in relation to, among other things, the entering into of the Finance Lease Business Framework Agreement between the Company and CDC Capital Holding. Please read the following information carefully when you consider the resolution in relation to the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps for the three years ending 31 December 2026.

#### (1) Finance Lease Business Framework Agreement

Further references are made to the announcement of the Company dated 20 October 2020 and the circular dated 13 November 2020 in relation to, among other things, the entering into of the finance lease business framework agreement between the Company and CDC Capital Holding (the “**2020 Finance Lease Business Framework Agreement**”). As the agreement and annual caps of such continuing connected transactions will expire on 31 December 2023, the Company and CDC Capital Holding renewed the 2020 Finance Lease Business Framework Agreement on 21 November 2023. The major terms of the Finance Lease Business Framework Agreement are as follows:

**Date** 21 November 2023

**Parties** (i) The Company  
(ii) CDC Capital Holding

**Term of the agreement** From 1 January 2024 to 31 December 2026

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## LETTER FROM THE BOARD

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- Nature of transaction** Provision of the Finance Lease services by DFL and Shanghai Leasing Company, subsidiaries of CDC Capital Holding (collectively referred to as the “**Lessor(s)**”) to members of the Group (collectively referred to as the “**Lessee(s)**”) by way of direct lease or sale and lease-back upon reasonable requests. With respect to each Finance Lease, the relevant Lessors and Lessees will enter into separate specific written agreement(s) (the “**Specific Agreement(s)**”) subject to the provisions of the Finance Lease Business Framework Agreement.
- Lease methods** The Finance Lease methods provided by the Lessors comprise direct lease and the sale and lease-back. In particular:
- Direct lease refers to the purchase by the Lessor and the provision of the Leasing Equipment to the Lessee as per the specifications and requirements of the Lessee; and
- Sale and lease-back means that the Lessor purchases the Leasing Equipment from the Lessee and lease it back to the Lessee based on the Lessee’s choice.
- Lease period** The lease period for each Finance Lease will be determined by taking into account, inter alia, the useful life of the relevant Leasing Equipment <sup>(Note 1)</sup>, the financial needs of the Lessees and the funding availability of the Lessors, which in general shall not exceed the effective service life of such Leasing Equipment.
- Lease payments and interest** The lease payments charged by the Lessors will include the purchase price (in the case of direct lease) or the value (in the case of sale and lease-back) of the Leasing Equipment <sup>(Note 2)</sup> and interest thereon charged on defined terms no less favourable to the Lessees than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark loan interest rate published by PBOC from time to time <sup>(Notes 3 and 5)</sup>, or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services. If the PBOC adjusts the RMB loan benchmark annual interest rates during the term of relevant Finance Lease agreements, the lease interest rates will be adjusted accordingly and may be adjusted on a quarterly basis.

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## LETTER FROM THE BOARD

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- Handling fee** A one-off non-refundable handling fee may be charged by the Lessors on defined terms of handling fee no less favourable to the Lessees than those offered by independent third parties when Specific Agreement(s) is (are) entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant Specific Agreement(s) <sup>(Notes 4 and 5)</sup>.
- Ownership** The legal title and all rights to the Leasing Equipment shall be vested in the Lessors throughout the lease period.
- Purchase option** Subject to the Lessees having performed all their obligations under, and upon the expiry of the lease period of the Specific Agreement(s), the Lessees shall have an option to purchase the relevant Leasing Equipment at a nominal price <sup>(Note 6)</sup>.
- Conditions precedent** The Finance Lease Business Framework Agreement is subject to the approval of the transactions contemplated thereunder and their proposed annual caps by the Independent Shareholders.

*Notes (for illustration purpose only):*

1. The useful life of the Leasing Equipment will be assessed by reference to the Group's assets management policy, industry practice, the past experience in using the Leasing Equipment and information obtained from internal engineering department staff who has technical knowledge on the use of the Leasing Equipment.
2. In respect of the Finance Lease involving direct lease of Leasing Equipment newly acquired by the Lessors, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessors and the Lessees. The Lessors will also take into account other factors including the risk profile of the Lessees and the type of the Leasing Equipment in determining the appropriate lease amount.

In respect of the Finance Lease involving sale and lease-back, the basis of determining the value of the Leasing Equipment is the fair market value of such Leasing Equipment and the Lessor will also make reference to the net carrying amount of such Leasing Equipment and ensure that the amount to be leased will not exceed the lower of the fair market value and the net carrying amount of the Leasing Equipment in any event.

The costs of Leasing Equipment referred to in the above two paragraphs are specified based on the market value determined through open tendering. Procedures for open tendering shall be strictly in compliance with the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), which applies to all purchases of major equipment. Failing to follow such legislation would result in a maximum fine of RMB100,000 according to the Regulation on the Implementation of the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》).

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## LETTER FROM THE BOARD

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According to the “Administrative Measures on Tendering Procedures of China Datang Corporation Renewable Power Co., Limited\* (《中國大唐集團新能源股份有限公司招標管理辦法》)”, the public tendering procedures of the Company in relation to the Finance Lease business mainly consist of three stages: (i) the Company as a lessee will issue the tender invitation to not less than three entities, including the Lessors DFL and Shanghai Leasing Company; (ii) the tender committee, which will be formed by relevant functional departments of the Company, shall make judgement to the terms to be provided by the tenderer by reference to the terms provided by independent third party(ies) and the benchmark loan interest rate to be announced by PBOC from time to time, or if there is no such interest rate, among others, the interest rate charged by other major financial institutions to the same or similar types of services, to make sure the reasonableness of the tendering and pricing so as to select the best option; and (iii) to form a summary report on the tender results, and enter into a contract with the winning bidder after being considered and approved by the Company’s management. In the event that the Company would be aware of that the terms to be provided by the Lessors are less favourable than any other independent third parties, the Company shall have the right to negotiate with the Lessors on an arm’s length basis and the Lessors shall agree to revise the terms to ensure that the Company may execute the Finance Lease Business Framework Agreement in accordance with terms not less favourable than the financing lease terms provided by any other independent third party(ies) in the market.

3. The National Interbank Funding Center announced as authorized by the PBOC that, on 20 November 2023, the one-year loan prime rate (“LPR”) was 3.45% and the over-five-year LPR was 4.2%. The above LPRs are valid until the next LPRs are announced. As of the Latest Practicable Date, no further new LPRs have been announced.
4. There is currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the separate written contract(s) under the Finance Lease Business Framework Agreement, the Lessors and Lessees will determine the handling fee by reference to such rate, which will be given priority over the rates adopted by other major financial institutions, accordingly.
5. In determining the interest rate or amounts of the handling fee and purchase option, the Lessors will conduct an overall return assessment after considering, among others, the prevailing rates of PBOC or the major financial institutions, as the case may be, so as to meet their own return requirements and the credit risk assessment to the relevant Finance Lease. Therefore, the pricing with respect to such aspects of each Finance Lease will be determined on a case by case basis.
6. Since the Leasing Equipment has no residual value upon the expiry of the lease period, the Lessees intend to set the nominal price of the purchase option at RMB1.00.

### (2) Historical Amounts

According to the 2020 Finance Lease Business Framework Agreement, the table below sets out the annual caps for the three years ending 31 December 2023:

	Annual cap for the year ended 31 December 2021	Annual cap for the year ended 31 December 2022	Annual cap for the year ending 31 December 2023
Newly-added direct lease	RMB3,500 million	RMB3,500 million	RMB3,500 million
Newly-added sale and lease-back	RMB2,500 million	RMB2,500 million	RMB2,500 million

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## LETTER FROM THE BOARD

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The table below sets out the historical amounts for the two years ended 31 December 2022 and the nine months ended 30 September 2023:

	Historical amount for the year ended 31 December 2021	Historical amount for the year ended 31 December 2022	Historical amount for the nine months ended 30 September 2023
Newly-added direct lease	RMB144 million	RMB548 million	RMB1,199 million
Newly-added sale and lease-back	<u>RMB2,254 million</u>	<u>RMB1,533 million</u>	<u>RMB1,998 million</u>

### (3) Proposed Annual Caps

Pursuant to the Listing Rules, the direct lease is deemed as the acquisition of assets by the Group, and the sale and lease-back constitutes the sale of assets by the Group. The table below sets out the proposed annual caps of the direct lease and the sale and lease-back for the three years ending 31 December 2026:

	Proposed annual cap for the year ending 31 December 2024	Proposed annual cap for the year ending 31 December 2025	Proposed annual cap for the year ending 31 December 2026
Newly-added direct lease	RMB6,000 million	RMB6,000 million	RMB6,000 million
Newly-added sale and lease-back	<u>RMB5,000 million</u>	<u>RMB5,000 million</u>	<u>RMB5,000 million</u>

### (4) Basis for Determination of the Annual Caps

In determining the abovementioned annual caps, the Company has considered, among others:

- (i) the historical amounts of finance lease business for the two years ended 31 December 2022 and the nine months ended 30 September 2023 as disclosed under the section headed “(2) Historical Amounts” above.

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## LETTER FROM THE BOARD

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- (ii) the growth in the scale of the Group's business:

The Group continues to fulfil the requirements of the "Dual Carbon" goals and accelerates its efforts in the promotion of the development of new energy. As at 30 June 2023, the consolidated installed capacity of the Group amounted to 14,329.67 MW, representing a year-on-year increase of 1,152.65 MW or 8.75%. In the first half of 2023, the Group obtained a quota of 2,580.00 MW in total for construction projects, which were spread over Xinjiang, Shandong, Hebei, Inner Mongolia, Jiangsu and other provinces. As at 30 September 2023, the Group's reserve capacity available for development amounted to over 6,000.00 MW, and the relevant projects are planned to be put into operation between the years 2024 and 2026 in succession.

In view of the above, in order to reduce the burden of project funding, broaden the financing channels, improve the efficiency of financing and further optimise the financial structure of the Company, the Company needs the corresponding proposed annual caps for finance lease (including direct lease and sale and lease-back) to meet the demand for finance lease business arising from the growth in the scale of business of the Group.

- (iii) current conditions in the financing market:

Currently, the monetary policy in the PRC is relatively accommodative and the cost of finance lease has been reduced, in particular, the cost of finance lease provided to the Group by DFL and Shanghai Leasing Company, being subsidiaries of CDC Capital Holding, has been further reduced, which is conducive to strengthening the bargaining power of the Group and expanding the market share of its new energy business.

- (iv) long-term co-operative relationship in the finance lease business:

DFL and Shanghai Leasing Company, being subsidiaries of CDC Capital Holding, have a long-term co-operative relationship with the Group in finance lease business and have a relatively in-depth understanding of the operations of the Group, which is conducive to the provision of more convenient, efficient and effective finance lease services than other finance lease companies.

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## LETTER FROM THE BOARD

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Taking into account the above factors, the respective proposed annual caps for the direct lease and sale and lease-back are specifically determined based on the following circumstances:

In respect of direct lease: During the period from 2024 to 2026, the Company will accelerate the high-quality development, continuously invest in the construction of wind power, photovoltaic and other new energy bases and speed up development of offshore wind power projects. The Company is expected to invest approximately RMB30 billion to RMB36 billion into projects such as Xinjiang Shichengzi Wind Power Project, Guizhou Luodian Agricultural Photovoltaic Project, Yunnan Julongliang Wind Power Project, Inner Mongolia Wind and Photovoltaic Power Hydrogen Production Project and Qinghai Xinghai Photovoltaic Base Project. Considering that special invoices for input value-added tax will be issued when carrying out the direct lease business, which can be used to offset against the output tax and can result in saving finance costs as compared to bank loans at the same interest rate, and taking into account the actual demand of the aforesaid projects, the Company expects that approximately RMB5 billion to RMB6 billion of the expenditure may be incurred by way of direct lease each year. In determining the annual caps for direct lease, the Company has also taken into account the fact that there shall be a buffer for new direct lease projects that may occur in the coming years, so as to ensure that the Group's projects in progress and new projects will be adequately financed to meet the need of the development of the Group.

In respect of the sale and lease-back: As at the end of 2020, the end of 2021, the end of 2022 and the end of June 2023, the trade receivables of the Group amounted to RMB12,060 million, RMB16,310 million, RMB14,387 million and RMB17,241 million, representing 13.41%, 16.46%, 14.75% and 17.49% of the total assets, respectively. The above factors have resulted in certain subsidiaries of the Company bearing relatively great pressure arising from cash flow, and the sale and lease-back has provided them with an important financing channel. Through carrying out the sale and lease-back business, the liquidity need of the Company's subsidiaries in the ordinary course of their operations can be compensated, resulting in relatively abundant cash outflows and cash inflows from the Group's production and operating activities. In addition, as the Group has loans of approximately RMB10 billion that will gradually mature in each of the coming three years, the Company plans to carry out the sale and lease-back business with DFL and Shanghai Leasing Company, being subsidiaries of CDC Capital Holding, so as to broaden the financing channels and safeguard the source of funds.



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## LETTER FROM THE BOARD

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**(5) Reasons for and Benefits of Entering into the Finance Lease Business Framework Agreement**

The transactions under the Finance Lease Business Framework Agreement are beneficial to the Company as they will (1) enable the Company to effectively broaden its financing channels and raise low-cost funds; and (2) enable the Group to facilitate the smooth development and operation of its business.

The Directors (excluding connected Directors, but including the independent non-executive Directors) consider that the transactions contemplated under the Finance Lease Business Framework Agreement are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

**(6) Listing Rules Implications**

As at the Latest Practicable Date, since CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. CDC Capital Holding is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Finance Lease Business Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the direct lease and sale and lease-back contemplated under the Finance Lease Business Framework Agreement is (are) more than 5% respectively, such transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as one or more of the applicable percentage ratio(s) with respect to the direct lease and sale and lease-back contemplated under the Finance Lease Business Framework Agreement is (are) more than 25% but less than 75% respectively, such transactions constitute major transactions of the Company that are subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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**(7) Internal Control Procedures and Corporate Governance Measures**

The Company will adopt internal control and monitoring procedures relating to the finance leasing services, including:

- (i) The Finance Lease Business Framework Agreement will be conducted on a non-exclusive basis;
- (ii) Before entering into any separate leasing agreements with the Lessors, the Company will obtain quotations from at least two independent third parties who could provide the same or similar type of finance leasing services and negotiate with the Lessors on an arm's length basis in respect of the interest rate (including the handling fees) of the finance leasing services, and ensure that such interests (1) are not higher than the interests (including the handling fees and other fees) provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rates for RMB-denominated loans then published by PBOC for a similar term and in case of no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions for same or similar services. If the Company becomes aware that the interests charged by the Lessors are less favourable to the Company than those charged by any other independent third party on similar terms and conditions, the Company shall have the right to negotiate with the Lessors on an arm's length basis and the Lessors shall agree to adjust the interests of finance leasing services such that the interests charged under the Finance Lease Business Framework Agreement are not less favourable to the Company than those charged by any other independent third party for finance leasing services in the market;
- (iii) Before entering into any Specific Agreement(s) with the Lessors, the legal department of the Company will review the Specific Agreement(s) to ensure the major terms are in compliance with the relevant terms of the Finance Lease Business Framework Agreement;
- (iv) The finance department of the Company has established a supervisory system, and each relevant financial officer of the Group who has entered into the Specific Agreement(s) will report the amount for newly-added direct lease or sale and lease-back under the Finance Lease to the finance department of the Company on a daily basis and the finance department of the Company will strictly control the balance caps, to ensure the relevant proposed annual caps will not be exceeded;

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## LETTER FROM THE BOARD

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- (v) The finance department of the Company will prepare the monthly statement and analysis report, and report the specific financing situation of the current month to the management of the Company (including the general manager, the deputy general manager, the secretary to the Board and the chief accountant) every month, including the analysis on the amount for newly-added direct lease or sale and lease-back under the Finance Lease under the Finance Lease Business Framework Agreement, as well as the financial costs saved due to the entering into of the Finance Lease Business Framework Agreement as compared to the Company's weighted average interest rate of loans of the current month. The Company's weighted average interest rate of loans of the current month mentioned above represents the weighted average interest rate of loans of various financings from various parties (including independent third parties and the connected persons/related parties of the Company) to be updated by the Company every month;
- (vi) The independent non-executive Directors of the Company review the continuing connected transactions under the Finance Lease Business Framework Agreement on an annual basis and listen to the report by the secretary to the Board and chief accountant of the Company to ensure that the relevant agreements are entered into on normal commercial terms and are fair and reasonable and conducted in accordance with the terms set out therein; and
- (vii) The auditors of the Company will also perform annual reviews on the pricing and annual caps of such continuing connected transactions.

### **(8) Opinions of the Board**

Having considered the above-mentioned pricing policies and basis for determination of proposed annual caps and reasons for and benefits of conducting the Finance Lease Business Framework Agreement, the Directors (excluding connected Directors, but including independent non-executive Directors) are of the view that the terms of the Finance Lease Business Framework Agreement are fair and reasonable, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Directors Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping and Mr. Shi Feng, being connected Directors by virtue of their positions in CDC Group, have abstained from voting on the resolution in relation to consideration and approval of the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps at the Board meeting. Saved as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps and was required to abstain from voting on the relevant Board resolution.

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## LETTER FROM THE BOARD

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**(9) Approval by Independent Shareholders**

Since the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps are subject to the Independent Shareholders' approval, the Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps. Trinity has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders of the Company on the same issue.

In view of the material interests of CDC in the transactions contemplated under the Finance Lease Business Framework Agreement, CDC (which is interested in an aggregate of approximately 65.61% of the total issued share capital of the Company as at the Latest Practicable Date) and its associate are required to abstain from voting on the resolution to be proposed at the EGM to approve the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed in this circular, no other Shareholders are required to abstain from voting on relevant resolution.

**(10) General Information**

***Information on the Company***

For details of the Company's information, please refer to page 11 of this circular.

***Information on CDC***

For details of the CDC's information, please refer to page 11 of this circular.

***Information on CDC Capital Holding***

CDC Capital Holding is a limited liability company incorporated in the PRC in November 2011 and a wholly-owned subsidiary of CDC. CDC Capital Holding is principally engaged in investment management; asset management; investment consultation.

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## LETTER FROM THE BOARD

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### 3. ADJUSTMENTS TO THE FINANCIAL BUDGET PLAN FOR 2023

An ordinary resolution will be proposed at the EGM to approve the adjustments to the financial budget plan for 2023.

References are made to the circular dated 8 June 2023 and the poll results announcement dated 29 June 2023 of the Company in relation to, among others, the financial budget plan for 2023 considered and approved by the Shareholders at the annual general meeting for the year 2022 held on 29 June 2023 (the “**Financial Budget Plan for 2023**”).

According to its investment schedule, the Company proposes to adjust the capital budget under the Financial Budget Plan for 2023. Details are as follows:

- (1) Budget for large-scale infrastructure: At present, the budget for 2023 is RMB6.769 billion. In line with the changes in the plan for large-scale infrastructure projects for 2023, it is proposed to increase the budget by RMB3.111 billion.
- (2) Budget for expenditure on technical transformation, informatisation and scientific research: At present, the budget for technical transformation projects for 2023 is RMB737 million, the budget for informatisation construction for 2023 is RMB109 million and the budget for scientific and technological development for 2023 is RMB86 million. In line with the progress of the technical transformation projects and the need of informatisation construction, it is proposed to increase the budgets for technical transformation projects, informatisation construction and scientific and technological development by RMB37 million, RMB6 million and RMB17 million, respectively.

Except for the above adjustments, other contents of the Financial Budget Plan for 2023 remain unchanged.

### 4. ADJUSTMENTS TO THE FINANCING PLAN FOR 2023

A special resolution will be proposed at the EGM to approve the adjustments to the financing plan for 2023.

References are made to the circular dated 12 April 2023 and the poll results announcement dated 27 April 2023 of the Company in relation to, among others, the financing plan for 2023 considered and approved by the Shareholders at the second extraordinary general meeting in 2023 held on 27 April 2023 (the “**Financing Plan for 2023**”).

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## LETTER FROM THE BOARD

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As mentioned above, in view of the changes in the plan for large-scale infrastructure projects for 2023, it is proposed to increase the budget for large-scale infrastructure by RMB3.111 billion, and the Company also intends to correspondingly increase the debt financing scale under the Financing Plan for 2023 by RMB2 billion. After adjustments, the total financing scale of the Company for 2023 shall be RMB75.2 billion, including: RMB61.2 billion for debt financing (the net increase of which for this year shall not exceed RMB6.3 billion) and RMB14 billion for equity financing.

Except for the above adjustments, other contents of the Financing Plan for 2023, such as the varieties of debt financing, as well as the scale and varieties of equity financing, etc., remain unchanged.

### EGM

The EGM is proposed to be held at 10:00 a.m. on Thursday, 28 December 2023 at Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC to approve the resolutions to be proposed at the EGM as set out in the notice of the EGM. The notice of the EGM is set out on pages 64 to 65 of this circular.

Since the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps need to be approved by the Independent Shareholders, the Independent Board Committee comprising all independent non-executive Directors has been established to advise Independent Shareholders in respect of relevant matters. Trinity has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same issue.

In order to ascertain the entitlements of the Shareholders to attend the EGM, the register of members of the Company will be closed from Wednesday, 20 December 2023 to Thursday, 28 December 2023 (both days inclusive). To be eligible to attend and vote at the EGM, all transfer documents together with relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares); or the Company's head office in the PRC at 8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing 100053, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Tuesday, 19 December 2023.

A form of proxy for use at the EGM is also enclosed. If you intend to appoint a proxy to attend the EGM, you are required to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible, provided that the registered Shareholders and HKSCC Nominees Limited receiving the voting instructions from non-registered holders shall return the completed form of proxy by hand or by post not less than 24 hours before the time fixed for convening the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof should you so wish.

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## LETTER FROM THE BOARD

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### VOTING BY POLL AT EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the general meetings must be taken by poll. The chairman of the EGM will therefore demand a poll for every resolution of the EGM pursuant to Article 81 of the Articles.

On a poll, every Shareholder present in person or by proxy (or if being a corporation, by its duly authorized representative) at the EGM shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote need not use all his/her votes or cast all the votes he/she has in the same manner.

### RECOMMENDATION

The Board considers that the aforesaid resolutions are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favour of the resolutions as set out in the notice of EGM which are to be proposed at the EGM.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders and the letter from Trinity to the Independent Board Committee and the Independent Shareholders set out in this circular.

By order of the Board  
**China Datang Corporation Renewable Power Co., Limited\***  
**Zou Min**  
*Joint Company Secretary*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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中国大唐集团新能源股份有限公司

China Datang Corporation Renewable Power Co., Limited\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01798)**

**MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCIAL SERVICES AGREEMENT  
MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCE LEASE BUSINESS FRAMEWORK AGREEMENT**

30 November 2023

*To the Independent Shareholders*

Dear Sir or Madam,

We refer to the circular despatched to all Shareholders dated 30 November 2023 of the Company (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 otherwise specified.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps (details of which are set out in the Letter from the Board in the Circular) are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Trinity has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same issues.

Having considered the information set out in the Letter from the Board as well as the Letter from Trinity in the Circular, we are of the view that the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Our view related to fairness and reasonableness is necessarily based on information, facts and circumstances currently prevailing.



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the deposit services contemplated under the Financial Services Agreement and their proposed annual caps and the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps.

Yours faithfully,  
Independent Board Committee

**Mr. Lo Mun Lam, Raymond**  
*Independent non-executive  
Director*

**Mr. Yu Shunkun**  
*Independent non-executive  
Director*

**Mr. Qin Haiyan**  
*Independent non-executive  
Director*

\* *For identification purpose only*

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## LETTER FROM TRINITY

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*Set out below is the text of a letter received from Trinity, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions for the purpose of inclusion in this circular.*

# TRINITY

**Trinity Corporate Finance Limited**

Unit 102B, 1<sup>st</sup> Floor, Building 5W,  
Hong Kong Science Park,  
New Territories,  
Hong Kong.

30 November 2023

*To the Independent Board Committee and the Independent Shareholders of  
China Datang Corporation Renewable Power Co., Limited*

Dear Sirs,

**MAJOR AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCIAL SERVICES AGREEMENT  
AND  
MAJOR AND CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF FINANCE LEASE BUSINESS FRAMEWORK 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 Financial Services Agreement and the Finance Lease Business Framework Agreement, details of which are set out in the Letter from the Board (the “**Letter from the Board**”) in the Company’s circular dated 30 November 2023 (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.

As the 2020 Financial Services Agreement, as defined in the Letter from the Board, will expire on 31 December 2023, the Company and Datang Finance renewed the 2020 Financial Services Agreement on 21 November 2023.

Also, as the 2020 Finance Lease Business Framework Agreement, as defined in the Letter from the Board, will expire on 31 December 2023, the Company and CDC Capital Holding renewed the 2020 Finance Lease Business Framework Agreement on 21 November 2023.

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## LETTER FROM TRINITY

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As at the Latest Practicable Date, since CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. Datang Finance is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the deposit services to be provided by Datang Finance to the Group, as one or more of the percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) applicable to the deposit services is (are) more than 5%, the deposit services are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules. The Company will disclose the relevant details in the annual report and accounts of the Company to be published in the next year in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules. In addition, as one or more of the percentage ratio(s) applicable to the deposit services is (are) more than 25%, the deposit services constitute a major transaction of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, since CDC directly and indirectly holds approximately 65.61% of the issued share capital of the Company, it is a controlling shareholder as defined under the Listing Rules and thus a connected person of the Company. CDC Capital Holding is a subsidiary of CDC, and is therefore a connected person of the Company. Accordingly, the Finance Lease Business Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the transactions contemplated under the Finance Lease Business Framework Agreement is (are) more than 5%, such transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as one or more of the applicable percentage ratio(s) with respect to the transactions contemplated under the Finance Lease Business Framework Agreement is (are) more than 25% but less than 75%, such transactions constitute major transactions of the Company that are subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM TRINITY

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The Company will convene the EGM to consider and approve, among others, the Financial Services Agreement and the Finance Lease Business Framework Agreement and the transactions contemplated thereunder. In view of the material interests of CDC in the transactions contemplated under the Financial Services Agreement and the Finance Lease Business Framework Agreement, CDC (which is interested in an aggregate of approximately 65.61% of the total issued share capital of the Company as at the Latest Practicable Date) and its associates are required to abstain from voting on the resolutions to be proposed by the Company at the EGM to approve the deposit services contemplated under the Financial Services Agreement and the Finance Lease Business Framework Agreement and their respective proposed annual caps.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed in this Circular, no other Shareholders will be required to abstain from voting in respect of relevant resolutions.

Directors Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping and Mr. Shi Feng, being connected Directors by virtue of their positions in CDC Group, have abstained from voting on the resolutions in relation to consideration and approval of the transactions contemplated under the Financial Services Agreement and the Finance Lease Business Framework Agreement and their respective proposed annual caps at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Financial Services Agreement and the Finance Lease Business Framework Agreement and their respective proposed annual caps and was required to abstain from voting on the relevant Board resolutions.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Financial Services Agreement and the Finance Lease Business Framework 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. Apart from normal professional fees paid or payable to us in connection with such appointment(s), 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.

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## LETTER FROM TRINITY

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### **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 Financial Services Agreement and the Finance Lease Business Framework Agreement.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Financial Services Agreement and the Finance Lease Business Framework 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.

In accordance with Rule 13.80 of the Listing Rules, to formulate our opinion, we have independently reviewed, inter alia, the 2022 annual report and 2023 interim results announcement of the Company, the historical transaction amounts, the Letter from the Board and the samples of transactions of the Company relating to the Financial Services Agreement and the Finance Lease Business Framework Agreement.

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## LETTER FROM TRINITY

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Financial Services Agreement and the Finance Lease Business Framework Agreement, we have taken into account the following principal factors and reasons:

#### A. Background of the Company and Relevant Parties

##### *Information on the Company*

The Company is a joint stock limited company incorporated in the PRC in September 2004. The Group is primarily engaged in the development, investment, construction and management of wind power and other renewable energy sources; research and development, application and promotion of low carbon technology; research, sale, testing and maintenance of renewable energy-related equipment; power generation; design, construction and installation, repair and maintenance of domestic and overseas power projects; import and export services of renewable energy equipment and technology; foreign investment; renewable energy-related consulting services.

##### *Information on CDC*

CDC is a state-owned enterprise established in the PRC. CDC is primarily engaged in the development, investment, construction, operation and management of power energy; organization of power (thermal) production and sales; manufacture, inspection and maintenance and commissioning of electric power equipment; power technology development and consultation, contracting and consulting of electric power engineering and electrical and environmental protection projects; development of new energy; and self-operating and being an agent for import and export of various goods and technologies (save for the goods and technologies the import or export of which is restricted or prohibited by the laws and regulations of the PRC).

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## LETTER FROM TRINITY

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### ***Information on Datang Finance***

Datang Finance was incorporated in the PRC as a non-bank financial institution in May 2005 and is a subsidiary of CDC. As at the Latest Practicable Date, CDC directly and indirectly holds approximately 81.06% equity interest in Datang Finance, Datang International Power Generation Co., Ltd. (a company listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: DAT)) directly holds approximately 16.95% equity interest in Datang Finance, and Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600744) directly holds approximately 1.99% equity interest in Datang Finance. It is principally engaged in providing consultancy and agency service in relation to financial advisory, guarantee trust service and related services; assisting intra-group members in realizing receipt and payment of transaction amount; providing approved insurance agency services; serving as guarantees for loans of intra-group members; handling entrusted loan and entrusted investment between intra-group members; handling bill acceptances and discounting for intra-group members; conducting internal transfer settlement between intragroup members and designing of corresponding settlement and liquidation plan; absorbing deposits from intra-group members; dealing with loan and financial leasing for intra-group members; dealing with inter-bank offered credit; issuing finance company bonds upon approval; underwriting corporate bonds of intra-group members; making equity investments in financial institutions; and investment in negotiable securities, etc.

### ***Information on CDC Capital Holding***

CDC Capital Holding is a limited liability company incorporated in the PRC in November 2011 and a wholly-owned subsidiary of CDC. CDC Capital Holding is principally engaged in investment management; asset management; investment consultation.

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## LETTER FROM TRINITY

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### B. Principal Terms of the Financial Services Agreement

#### (1) *Financial Services Agreement*

As mentioned in the Letter from the Board, on 21 November 2023, the Company entered into the Financial Services Agreement with Datang Finance. The major terms of the Financial Services Agreement are as follows:

<b>Date</b>	21 November 2023
<b>Parties</b>	(i) the Company  (ii) Datang Finance
<b>Term of the agreement</b>	From 1 January 2024 to 31 December 2026
<b>Nature of transaction</b>	The services to be provided by Datang Finance to the Group include: deposits from customers; management of loan; management of the bill acceptance and discount services; provision of funds settlement and payment services; provision of entrusted loans and non-financing guarantee services; provision of financial advisory services for the Group's bond financing. Datang Finance shall ensure the safety operation of fund management system to protect the fund safety, and to control the asset liabilities risk so as to satisfy the payment needs of the Group.
<b>Scope of services</b>	Among the scope of services as set out in the Letter from the Board, only deposit services are subject to Independent Shareholders' approval.
<b>Conditions precedent</b>	The Financial Services Agreement shall become effective upon the Independent Shareholders' approval of the deposit services contemplated thereunder and their proposed annual caps.



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## LETTER FROM TRINITY

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### (2) *Pricing Policy*

Datang Finance has undertaken to provide the deposit services to the Group based on the following pricing policy-within the range for the floating deposit interests rates published by the PBOC and by reference to the benchmark deposit interest rate published by the PBOC, the deposit interest rate provided by Datang Finance to the Group shall not be lower than the equivalent deposit interest rate as offered by the national commercial banks in the PRC.

We have reviewed three samples of historical transactions entered into between the Group and Datang Finance and confirmed that the deposit interest rates were not lower than the equivalent deposit interest rate as offered by the national commercial banks in the PRC. We consider that the selected samples are adequate, sufficient, fair and representative in concluding our view that the above pricing policy was properly followed and that the terms of the transactions between the Company and Datang Finance are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the pricing policy is able to ensure 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 as a whole.

### C. **Historical Transaction Amounts and Proposed Annual Caps**

The historical transactions of actual daily maximum deposit balance (including any interest accrued thereon) for the two years ended 31 December 2022 and the nine months ended 30 September 2023 are as follows:

<i>(In RMB)</i>	<b>For the financial year ended 31 December 2021</b>	<b>For the financial year ended 31 December 2022</b>	<b>For the period from 1 January 2023 to 30 September 2023</b>
Historical transaction amounts	3,273 million	5,713 million	3,801 million
Annual cap for such year/ period	6.0 billion	6.0 billion	6.0 billion
Approximate utilisation rate (%)	54.6%	95.2%	63.4%

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## LETTER FROM TRINITY

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As set out above the utilisation rate for deposit services was approximately 54.6% for the year ended 31 December 2021 and almost fully utilised at 95.2% for the year ended 31 December 2022. Also, we note that the utilisation rate for the nine-month period ended 30 September 2023 was approximately 63.4%. The Company proposes to set the daily maximum deposit balance (including any interest accrued thereon) with Datang Finance for each of the three years ending 31 December 2026 as follows:

<i>(In RMB)</i>	<b>For the financial year ending 31 December 2024</b>	<b>For the financial year ending 31 December 2025</b>	<b>For the financial year ending 31 December 2026</b>
Proposed daily maximum deposit balance (including any interest accrued thereon)	9.0 billion	9.0 billion	9.0 billion

Based on our discussion with the management of the Company, we are given to understand that the above proposed annual caps are mainly determined with reference to the following factors:

- (i) The historical amounts of deposit services for the two years ended 31 December 2022 and the nine months ended 30 September 2023 disclosed above. In particular, we note relatively high utilisation rates of the existing annual caps for the year ended 31 December 2022 and the nine-month period ended 30 September 2023 of approximately 95.2% and 63.4% respectively, and we consider that it is fair and reasonable that the Company found the existing annual caps insufficient.
- (ii) The historic and expected revenue of the Group: partial revenue acquired by the Group is generally reflected in the deposits of the Group in the banks and Datang Finance. The increase in the Group's revenue will directly impact the deposit balance of the Group in the banks and Datang Finance. The Group's revenue amounted to RMB12,499.23 million in 2022, representing a year-on-year increase of 5.32% as compared to 2021, among which, the Group's revenue from sales of electricity increased by 5.06% year on year to RMB12,408.96 million in 2022 from RMB11,811.63 million in 2021. The Group's revenue is expected to continue to increase due to the further mitigation of the curtailment of wind power and the increase of the production capacity.

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## LETTER FROM TRINITY

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- (iii) The Group's cash and cash equivalents and trade and bills receivables (which may turn into cash upon receipt) as at 30 September 2023 amounted to approximately RMB2.963 billion and RMB17.184 billion respectively, the sum of which (i.e. approximately RMB20.147 billion) is much higher than RMB9 billion. If trade and bills receivables are concentrated or available in short term, the amount of cash will increase substantially, which will lead to the increase in the Group's deposits.

We have reviewed the financial results of the Company for the two financial years ended 31 December 2022 and note that the revenue and profit attributable to owners of the parent have increased from RMB11,868 million and RMB2,031 million to RMB12,499 million and RMB3,485 million respectively. The consolidated installed capacity of the Group also increased from RMB13,078 million to RMB14,193 million, representing an increase of approximately 8.5%.

In view of the high utilisation rate of approximately 95.2% of the annual cap for the financial year ended 31 December 2022, the utilisation rate of approximately 63.4% for the nine-month period ended 30 September 2023 and the reasons stated above, especially the Group's cash and cash equivalents and trade and bills receivables as at 30 September 2023 of approximately RMB20.147 billion as stated above which is significantly higher than the proposed annual cap of RMB9 billion, we believe that it is therefore reasonable for the Company to set the proposed annual caps for each of the three financial years ending 31 December 2026 at RMB9 billion. Accordingly, we consider that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole for the proposed annual caps of the deposit services to be set at the respective amounts above.

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## LETTER FROM TRINITY

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### **D. Reasons for and benefits of entering into the Financial Services Agreement**

According to the Letter from the Board, the entering into of the Financial Services Agreement can enable the Company to secure interest rates for deposits not lower than those offered by national commercial banks in the PRC under the same conditions during the same period and enjoy payment and settlement services with no handling fee, thereby increasing interest income on deposits and saving e-settlement costs. Due to the long-term relationship between the Group and Datang Finance, the Group expects that it will benefit from Datang Finance, which is familiar with the industry and operation of the Group. Through cooperation for many years, Datang Finance is familiar with the capital structure, business operation, financing needs, mode of cash flow and cash management of the Group, as well as the Group's entire financial management system, so it will be an advantage to provide the Group with more appropriate, effective and flexible services when compared with the independent national commercial banks in the PRC. The Directors (including the independent non-executive Directors) consider that it is beneficial to the Company to continue to enter into the continuing connected transactions as such transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Additionally, the Directors (including the independent non-executive Directors) believe that such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms or on terms no less favourable than those available to the Company from independent third parties and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

We confirmed that it is in the best interests of the Independent Shareholders for the Company to be able to secure interest rates for deposits not lower than those offered by national commercial banks in the PRC.

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## LETTER FROM TRINITY

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### **E. Internal Control Procedures and Corporate Governance Measures**

The Company has adopted internal control and monitoring procedures relating to the deposit services, including:

- (i) Before entering into any deposit arrangements with Datang Finance, the Company will negotiate with Datang Finance on an arm's length basis in respect of the deposit interest rate of the deposit services, and ensure that such interest rate is determined (1) by reference to and is not lower than the benchmark deposit interest rate then published by the PBOC for similar deposits for a similar term and in case of any change in the benchmark deposit interest rate, the deposit interest rate to be payable by Datang Finance shall be determined by reference to and not lower than such benchmark deposit interest rate; and (2) by reference to and is not lower than the deposit interest rates offered by at least four other independent national commercial banks in the PRC for similar deposit services on normal commercial terms. In this way, the Company will be able to ensure the deposit interest rate of the deposit services will not be less favourable than that published by PBOC for similar deposits for a similar term and that offered by four other independent national commercial banks in the PRC for similar deposits for a similar term;

In the event that upon receiving deposit certificate which shows the deposit interest rate as offered by Datang Finance, and the Company notes that the deposit interest rate as offered by Datang Finance is less than the then negotiated deposit interest rate as offered by PBOC, the Company will require Datang Finance to provide the differences in the part of interest to the Company;

- (ii) Finance department of the Company will monitor the deposit services on a daily basis to ensure the proposed annual caps will not be exceeded;
- (iii) Finance department of the Company will report to the management of the Company, giving an update of the deposit arrangements entered into with Datang Finance on a monthly basis;
- (iv) Directors (including independent non-executive Directors) will review the transactions contemplated under the Financial Services Agreement each year, to ensure that the transactions under the Financial Services Agreement are conducted in the ordinary and usual course of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole; and
- (v) The auditor of the Company will perform annual reviews on the pricing and annual caps of such transactions.

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## LETTER FROM TRINITY

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We have reviewed two samples of monthly reports provided by the Company and confirmed that the Company has reported to the management of the Company on a monthly basis on the deposit arrangements entered into with Datang Finance. We consider that the Company has endeavoured to abide by the internal control procedures which are effective in ensuring that the terms of the deposit services are made at no less favourable terms than other commercial banks in the PRC.

### **F. Capital Risk Control Measures**

- (i) Datang Finance will ensure the safe operation of the funds management information system, all of which has passed the security test in respect of the interface of online banking of commercial banks in the PRC and has reached the security standards for domestic commercial banks. The system has adopted the mode awarded with CA safety certificate verification to ensure the security of the funds of the Group;
- (ii) Datang Finance will ensure that it operates in strict compliance with the risk monitoring indicators for finance companies issued by the NAFR and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NAFR;
- (iii) CDC has undertaken to the NAFR that, in the event that Datang Finance is in urgent difficulty in making payment, CDC will increase capital accordingly based on the actual need to solve such problem; and
- (iv) Any balance of the Group's funds (after deducting the amount used for entrusted loans and the loans granted to the Group by Datang Finance) will be deposited into one or more commercial bank(s) as interbank deposits.

We have discussed with the management of the Company and confirmed that since Datang Finance will be subject to similar regulatory and risk monitoring indicators similar to other commercial banks in the PRC, deposits placed with Datang Finance will not be subject to any additional credit or default risks.

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## LETTER FROM TRINITY

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### G. Principal Terms of the Finance Lease Business Framework Agreement

As mentioned in the Letter from the Board, on 21 November 2023, the Company entered into the Finance Lease Business Framework Agreement with CDC Capital Holding. The major terms of the Finance Lease Business Framework Agreement are as follows:

<b>Date</b>	21 November 2023
<b>Parties</b>	(i) the Company  (ii) CDC Capital Holding
<b>Term of the agreement</b>	From 1 January 2024 to 31 December 2026
<b>Nature of transaction</b>	Provision of the Finance Lease services by DFL and Shanghai Leasing Company, subsidiaries of CDC Capital Holding (collectively referred to as the “ <b>Lessor(s)</b> ”) to members of the Group (collectively referred to as the “ <b>Lessee(s)</b> ”) by way of direct lease or sale and lease-back upon reasonable requests. With respect to each Finance Lease, the relevant Lessors and Lessees will enter into separate specific written agreement(s) (the “ <b>Specific Agreement(s)</b> ”) subject to the provisions of the Finance Lease Business Framework Agreement.
<b>Lease methods</b>	The Finance Lease methods provided by the Lessors comprise direct lease and the sale and lease-back. In particular:  Direct lease refers to the purchase by the Lessor and the provision of the Leasing Equipment to the Lessee as per the specifications and requirements of the Lessee; and  Sale and lease-back means that the Lessor purchases the Leasing Equipment from the Lessee and lease it back to the Lessee based on the Lessee’s choice.

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<b>Lease period</b>	The lease period for each Finance Lease will be determined by taking into account, inter alia, the useful life of the relevant Leasing Equipment ( <i>Note 1</i> ), the financial needs of the Lessees and the funding availability of the Lessors, which in general shall not exceed the effective service life of such Leasing Equipment.
<b>Lease payments and interest</b>	The lease payments charged by the Lessors will include the purchase price (in the case of direct lease) or the value (in the case of sale and lease-back) of the Leasing Equipment ( <i>Note 2</i> ) and interest thereon charged on defined terms no less favourable to the Lessees than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark loan interest rate published by PBOC from time to time ( <i>Notes 3 and 5</i> ), or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services. If the PBOC adjusts the RMB loan benchmark annual interest rates during the term of relevant Finance Lease agreements, the lease interest rates will be adjusted accordingly and may be adjusted on a quarterly basis.
<b>Handling fee</b>	A one-off non-refundable handling fee may be charged by the Lessors on defined terms of handling fee no less favourable to the Lessees than those offered by independent third parties when Specific Agreement(s) is (are) entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant Specific Agreement(s) ( <i>Notes 4 and 5</i> ).
<b>Ownership</b>	The legal title and all rights to the Leasing Equipment shall be vested in the Lessors throughout the lease period.



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### **Purchase option**

Subject to the Lessees having performed all their obligations under, and upon the expiry of the lease period of the Specific Agreement(s), the Lessees shall have an option to purchase the relevant Leasing Equipment at a nominal price. *(Note 6)*

### **Conditions precedent**

The Finance Lease Business Framework Agreement is subject to the approval of the transactions contemplated thereunder and their proposed annual caps by the Independent Shareholders.

*Notes (for illustration purpose only):*

1. The useful life of the Leasing Equipment will be assessed by reference to the Group's assets management policy, industry practice, the past experience in using the Leasing Equipment and information obtained from internal engineering department staff who has technical knowledge on the use of the Leasing Equipment.
2. In respect of the Finance Lease involving direct lease of Leasing Equipment newly acquired by the Lessors, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessors and the Lessees. The Lessors will also take into account other factors including the risk profile of the Lessees and the type of the Leasing Equipment in determining the appropriate lease amount.

In respect of the Finance Lease involving sale and lease-back, the basis of determining the value of the Leasing Equipment is the fair market value of such Leasing Equipment and the Lessor will also make reference to the net carrying amount of such Leasing Equipment and ensure that the amount to be leased will not exceed the lower of the fair market value and the net carrying amount of the Leasing Equipment in any event.

The costs of Leasing Equipment referred to in the above two paragraphs are specified based on the market value determined through open tendering. Procedures for open tendering shall be strictly in compliance with the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), which applies to all purchases of major equipment. Failing to follow such legislation would result in a maximum fine of RMB100,000 according to the Regulation on the Implementation of the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》).

According to the "Administrative Measures on Tendering Procedures of China Datang Corporation Renewable Power Co., Limited" (《中國大唐集團新能源股份有限公司招標管理辦法》), the public tendering procedures of the Company in relation to the Finance Lease business mainly consist of three stages: (i) the Company as a lessee will issue the tender invitation to not less than three entities, including the Lessors DFL and Shanghai Leasing Company; (ii) the tender committee, which will be formed by relevant functional departments of the Company, shall make judgement to the terms to be provided by the tenderer by reference to the terms provided by independent third party(ies) and the benchmark loan interest rate to be announced by PBOC from time to time, or if there is no such interest rate, among others, the interest rate charged by other major financial institutions to the same or similar types of services, to make sure the reasonableness of the tendering and pricing so as to select the best option; and (iii) to form a summary report on the tender results, and enter into a contract with the winning bidder after being considered and approved by the Company's management. In the event that

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the Company would be aware of that the terms to be provided by the Lessors are less favourable than any other independent third parties, the Company shall have the right to negotiate with the Lessors on an arm's length basis and the Lessors shall agree to revise the terms to ensure that the Company may execute the Finance Lease Business Framework Agreement in accordance with terms not less favourable than the financing lease terms provided by any other independent third party(ies) in the market.

3. The National Interbank Funding Center announced as authorized by the PBOC that, on 20 November 2023, the one-year loan prime rate (“LPR”) was 3.45% and the over-five-year LPR was 4.2%. The above LPRs are valid until the next LPRs are announced. As of the Latest Practicable Date, no further new LPRs have been announced.
4. There is currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the separate written contract(s) under the Finance Lease Business Framework Agreement, the Lessors and Lessees will determine the handling fee by reference to such rate, which will be given priority over the rates adopted by other major financial institutions, accordingly.
5. In determining the interest rate or amounts of the handling fee and purchase option, the Lessors will conduct an overall return assessment after considering, among others, the prevailing rates of PBOC or the major financial institutions, as the case may be, so as to meet their own return requirements and the credit risk assessment to the relevant Finance Lease. Therefore, the pricing with respect to such aspects of each Finance Lease will be determined on a case by case basis.
6. Since the Leasing Equipment has no residual value upon the expiry of the lease period, the Lessees intend to set the nominal price of the purchase option at RMB1.00.

We have reviewed three samples of historical transactions entered into between the Group and the Lessors and confirmed that the Company has obtained quotations from at least two independent third parties providing the same or similar type of finance leasing services and has ensured that the interest rate (including the handling fees) of the finance leasing services provided by the Lessors (1) are not higher than the interests (including the handling fees and other fees) provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rates for RMB-denominated loans then published by PBOC for a similar term or the interest rate charged by other major financial institutions for same or similar services. We consider that the selected samples are adequate, sufficient, fair and representative in concluding our view that the above terms were properly followed and are fair and reasonable so far as the Company and the Independent Shareholders are concerned, which are able to ensure 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 as a whole.

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### H. Historical Transaction Amounts and Proposed Annual Caps

The historical transaction amounts of the 2020 Finance Lease Business Framework Agreement for the two financial years ended 31 December 2022 and the nine-month period ended 30 September 2023 are as follows:

<i>(In RMB)</i>	<b>For the financial year ended 31 December 2021</b>	<b>For the financial year ended 31 December 2022</b>	<b>For the period from 1 January 2023 to 30 September 2023</b>
<b>Newly-added direct lease:</b>			
Historical transaction amounts for newly-added direct lease	144 million	548 million	1,199 million
Annual cap for such year/ period	3,500 million	3,500 million	3,500 million
Approximate utilisation rate (%)	4.1%	15.7%	34.3%
<b>Newly-added sale and lease-back:</b>			
Historical transaction amounts for newly-added sale and lease-back	2,254 million	1,533 million	1,998 million
Annual cap for such year/ period	2,500 million	2,500 million	2,500 million
Approximate utilisation rate (%)	90.2%	61.3%	79.9%

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## LETTER FROM TRINITY

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The Company proposes to set the proposed annual caps of the direct lease and the sale and lease-back for each of the three years ending 31 December 2026 as follows:

<i>(In RMB)</i>	<b>For the financial year ending 31 December 2024</b>	<b>For the financial year ending 31 December 2025</b>	<b>For the financial year ending 31 December 2026</b>
Newly-added direct lease	6.0 billion	6.0 billion	6.0 billion
Newly-added sale and lease-back	5.0 billion	5.0 billion	5.0 billion

Based on our discussion with the management of the Company, we are given to understand that the above proposed annual caps are mainly determined with reference to the following factors:

- (i) The historical amounts of finance lease business for the two years ended 31 December 2022 and the nine months ended 30 September 2023 disclosed above.
- (ii) The growth in the scale of the Group's business:

The Group continues to fulfil the requirements of the "Dual Carbon" objective and accelerates its efforts in the promotion of the development of new energy. As at 30 June 2023, the consolidated installed capacity of the Group amounted to 14,329.67 MW, representing a year-on-year increase of 1,152.65 MW, or 8.75%. In the first half of 2023, the Group obtained a quota of 2,580.00 MW in total for its construction projects, which were located in Xinjiang, Shandong, Hebei, Inner Mongolia and Jiangsu provinces. As at 30 September 2023, the Group's reserve capacity available for development amounted to over 6,000.00 MW, and the relevant projects are planned to be put into operation between 2024 and 2026 in succession.

In view of the above, in order to reduce the burden of project funding, broaden the financing channels, improve the efficiency of financing and further optimise the financial structure of the Company, the Company needs the corresponding proposed annual caps for finance lease (including direct lease and sale and lease-back) in order to meet the demand for finance leasing business arising from the growth in the scale of business of the Group.

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## LETTER FROM TRINITY

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(iii) Current conditions in the financing market:

Currently, the monetary policy in the PRC is relatively accommodative and the cost of finance leases has been reduced, in particular, the cost of finance leases provided to the Group by DFL and Shanghai Leasing Company, being subsidiaries of CDC Capital Holding, has been further reduced, which is conducive to strengthening the bargaining power of the Group and expanding the market share of its new energy business.

(iv) Long-term co-operative relationship in the finance lease business:

DFL and Shanghai Leasing Company, being subsidiaries of CDC Capital Holding, have a long-term co-operative relationship with the Group in finance lease business and have a relatively in-depth understanding of the operations of the Group, which is conducive to the provision of more convenient, efficient and effective finance lease services than other finance lease companies.

Taking into account the above factors, the proposed annual caps for each of the direct lease and sale and lease-back are determined based on the following:

In respect of direct lease: During the period from 2024 to 2026, the Company will accelerate the high-quality development, continuously invest in the construction of projects of wind power, photovoltaic power and other new energy bases and speed up development of offshore wind power projects. The Company is expected to invest approximately RMB30 billion to RMB36 billion into the wind power project in Shichengzi, Xinjiang, the agricultural photovoltaic project in Luodian, Guizhou, the wind power project in Julongliang, Yunnan, the wind and photovoltaic power hydrogen production project in Inner Mongolia and the photovoltaic base project in Xinghai, Qinghai. Considering that special invoices for input value-added tax shall be issued when carrying out the direct lease business, which can be used to offset against the output tax, and will result in savings in finance costs as compared to bank loans at the same interest rate, and taking into account the actual demand of the aforesaid projects, the Company anticipates that approximately RMB5 billion to RMB6 billion of the expenditure may be incurred by way of direct lease each year. In determining the annual caps for direct lease, the Company has also taken into account the fact that there shall be room spared for new direct lease projects that may occur in the coming years, so as to ensure that the Group's projects in progress and new projects will be adequately financed to meet the need of the development of the Group.

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## LETTER FROM TRINITY

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In respect of the sale and lease-back: As at the end of 2020, the end of 2021, the end of 2022 and the end of June 2023, the trade receivables of the Group amounted to RMB12,060 million, RMB16,310 million, RMB14,387 million and RMB17,241 million, representing 13.41%, 16.46%, 14.75% and 17.49% of the total assets, respectively. The above factors have resulted in certain subsidiaries of the Company bearing relatively great pressure arising from cash flow, and the sale and lease-back has provided it with an important financing channel. Through carrying out of the sale and lease-back business, the liquidity need of the Company's subsidiaries in the ordinary course of their operations can be compensated, resulting in relatively abundant cash outflows and cash inflows from the Group's production and operating activities. In addition, as the Group has loans of approximately RMB10 billion that will be due one after another in each of the coming three years, the Company plans to commence the sale and lease-back business with DFL and Shanghai Leasing Company, being subsidiaries of CDC Capital Holding, so as to broaden the financing channels and safeguard the source of funds.

### ***Analysis of proposed annual caps for direct lease and sale and lease-back***

As shown in the table above, the historical utilisation rates for newly-added direct lease were relatively low for the two financial years ended 31 December 2022 at approximately 4.1% and 15.7% respectively and was approximately 34.3% for the nine-month period from 1 January 2023 to 30 September 2023, whereas the historical utilisation rates for newly-added sale and lease-back were relatively high for the two financial years ended 31 December 2022 at approximately 90.2% and 61.3% respectively and was approximately 79.9% for the nine-month period from 1 January 2023 to 30 September 2023.

The Company proposes that the annual caps for direct lease and sale and lease-back for the three financial years ending 31 December 2026 to be set at RMB6 billion and RMB5 billion respectively mainly due to the reasons stated above and we set out our analysis as follows:

1. The historical amounts of finance lease business for the two years ended 31 December 2022 and the nine months ended 30 September 2023 disclosed above:

We note that the utilisation rates of the existing annual caps for the nine-month period ended 30 September 2023 for direct lease and sale and lease-back were approximately 34.3% and 79.9% respectively. If calculated on a pro-rata basis of nine months for 2023, the utilisation rates were approximately 45.7% and over 100% respectively. Therefore, we consider that it is fair and reasonable that the Company found the existing annual caps insufficient and will require buffer in the proposed new caps in order to cater for the expected growth in future transactions based on factors listed below.

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## LETTER FROM TRINITY

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2. The growth in the scale of the Group's business:

We have reviewed the financial results of the Company for the two financial years ended 31 December 2022 and note that the consolidated installed capacity of the Group increased from RMB13,078 million to RMB14,193 million, representing an increase of approximately 8.5%. In addition, we have reviewed the interim report 2023 of the Company and in particular, the list of projects as of 30 June 2023 with respect to the consolidated installed capacity of the Group by region, and we confirm that significant achievements have been made by the Group in improving quality and profitability, and the momentum of growth in operating results remained strong. We also note that, in the first half of 2023, the Group obtained a construction project target of 2,580.00 MW in total, which were distributed in Xinjiang, Shandong, Hebei, Inner Mongolia and Jiangsu and other provinces. As of 30 June 2023, the projects of the Group under construction had a capacity of 2,600.70 MW, with a cumulative consolidated installed capacity of 12,781.20 MW for wind power generation, representing a year-on-year increase of 684.65 MW or 5.66%, and a cumulative consolidated installed capacity of 1,548.47 MW for photovoltaic power generation, representing a year-on-year increase of 473.00 MW or 43.98%. It is therefore fair and reasonable for the Company to continue to increase its installed capacity and to fund such expansion partly by finance leases, through continuous investment in the construction of projects of wind power, photovoltaic power and other new energy bases in order to fulfil the requirements of "Dual Carbon" objective which are expected to amount to RMB5–6 billion of the expenditure by way of direct lease each year.

3. Current conditions in the financing market:

We have reviewed the Consolidated Statement of Cash Flows in the Company's annual report for the year ended 31 December 2022 and confirmed that, with respect to the Company's net cash flows relating to financing activities, it has shifted from net cash flows from financing activities of RMB2,263 million for the year ended 31 December 2021 to net cash flows used in financing activities of RMB7,067 million, mainly due to the decrease in issuance of corporate bonds, medium-term notes and short-term bonds. It is therefore reasonable to increase the use of finance lease to supplement working capital instead of the use of corporate bonds, medium-term notes or short-term bonds. We consider that it is in the interests of the Company and the Independent Shareholders that the Company can lower its overall financing cost.

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## LETTER FROM TRINITY

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4. Long-term co-operative relationship in the finance lease business:

We agree that the long-term co-operative relationship between the Group and the subsidiaries of CDC Capital Holding in finance lease business is beneficial to the Group in receiving more convenient, efficient and effective finance lease services as compared to that provided by other finance lease companies, and is therefore in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we consider that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole for the proposed annual caps for direct lease and sale and lease-back to be set at the respective amounts above.

**I. Reasons for and Benefits of Entering into the Finance Lease Business Framework Agreement**

According to the Letter from the Board, the transactions under the Finance Lease Business Framework Agreement are beneficial to the Company as they will (1) enable the Company to effectively broaden its financing channels and raise low-cost funds; and (2) enable the Group to facilitate the smooth development and operation of its business.

The Directors (excluding connected Directors, but including the independent non-executive Directors) consider that the transactions contemplated under the Finance Lease Business Framework Agreement are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

We confirm that it is in the best interests of the Independent Shareholders for the Company to be able to broaden its financing channels and have access to raise low-cost funds in order to facilitate the development and operation of the Group's business.



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## LETTER FROM TRINITY

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### **J. Internal Control Procedures and Corporate Governance Measures**

The Company will adopt internal control and monitoring procedures relating to the finance leasing services, including:

- (i) The Finance Lease Business Framework Agreement will be conducted on a non-exclusive basis;
- (ii) Before entering into any separate leasing agreements with the Lessors, the Company will obtain quotations from at least two independent third parties who could provide the same or similar type of finance leasing services and negotiate with the Lessors on an arm's length basis in respect of the interest rate (including the handling fees) of the finance leasing services, and ensure that such interests (1) are not higher than the interests (including the handling fees and other fees) provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rates for RMB-denominated loans then published by PBOC for a similar term and in case of no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions for same or similar services. If the Company becomes aware that the interests charged by the Lessors are less favourable to the Company than those charged by any other independent third party on similar terms and conditions, the Company shall have the right to negotiate with the Lessors on an arm's length basis and the Lessors shall agree to adjust the interests of finance leasing services such that the interests charged under the Finance Lease Business Framework Agreement are not less favourable to the Company than those charged by any other independent third party for finance leasing services in the market;
- (iii) Before entering into any Specific Agreement(s) with the Lessors, the legal department of the Company will review the Specific Agreement(s) to ensure the major terms are in compliance with the relevant terms of the Finance Lease Business Framework Agreement;
- (iv) The financial management department of the Company has established a supervisory system, and each relevant financial officer of the Group who has entered into the Specific Agreement(s) will report the amount for newly-added direct lease or sale and lease-back under the Finance Lease to the financial management department of the Company on a daily basis and the financial management department of the Company will strictly control the balance caps, to ensure the relevant proposed annual caps will not be exceeded;

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## LETTER FROM TRINITY

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- (v) The financial management department of the Company will prepare the monthly statement and analysis report, and report the specific financing situation of the current month to the management of the Company (including the general manager, the deputy general manager, the secretary to the Board and the chief accountant) every month, including the analysis on the amount for newly-added direct lease or sale and lease-back under the Finance Lease under the Finance Lease Business Framework Agreement, as well as the financial costs saved due to the entering into of the Finance Lease Business Framework Agreement as compared to the Company's weighted average interest rate of loans of the current month. The Company's weighted average interest rate of loans of the current month mentioned above represents the weighted average interest rate of loans of various financings from various parties (including independent third parties and the connected persons/related parties of the Company) to be updated by the Company every month;
- (vi) The independent non-executive Directors of the Company review the continuing connected transactions under the Finance Lease Business Framework Agreement on an annual basis and listen to the report by the secretary to the Board and chief accountant of the Company to ensure that the relevant agreements are entered into on normal commercial terms and are fair and reasonable and conducted in accordance with the terms set out therein; and
- (vii) The auditors of the Company will also perform annual reviews on the pricing and annual caps of such continuing connected transactions.

We have reviewed two samples of monthly reports generated by the supervisory system of the financial management department of the Company for newly-added direct lease or sale and lease-back and agreed that the Company has endeavoured to monitor the balance caps to ensure that the relevant annual caps will not be exceeded. We consider that the pricing policy and internal control measures as well as principles of transactions set out above are effective in ensuring that the terms and conditions for transactions under the Finance Lease Business Framework Agreement, which has been entered into after arm's length negotiations, will be on normal commercial terms or better, entered in the ordinary and usual course of business of the Company and hence will be in the interests of the Company and its Shareholders, including the Independent Shareholders, as a whole.

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## LETTER FROM TRINITY

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### RECOMMENDATION

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

- (1) the principal businesses of the Company, CDC Capital Holding and Datang Finance;
- (2) the pricing policy and internal control measures as well as the principles of transactions of the Financial Services Agreement and the Finance Lease Business Framework Agreement respectively, which ensure 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 proposed annual caps of the Financial Services Agreement and the Finance Lease Business Framework Agreement; and
- (4) the reasons for and benefits to the Company by entering into the Financial Services Agreement and the Finance Lease Business Framework Agreement;

we are of the opinion that the terms and the proposed annual caps of the Financial Services Agreement and the Finance Lease Business Framework 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 Financial Services Agreement and the Finance Lease Business Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, and the entering into of the Financial Services Agreement and the Finance Lease Business Framework 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 Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Financial Services Agreement and the Finance Lease Business Framework 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 details of the financial information of the Group for the six months ended 30 June 2023 were disclosed on pages 40–96 of the Company’s 2023 Interim Report published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0918/2023091800659.pdf>) and the website of the Company (<http://www.cdt-re.com/xnygsweb/ueditor/jsp/upload/file/20231128/1701163036640015432.pdf>);

The details of the financial information of the Group for the year ended 31 December 2022 were disclosed on pages 167–316 of the Company’s 2022 Annual Report published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800337.pdf>) and the website of the Company (<http://www.cdt-re.com/xnygsweb/ueditor/jsp/upload/file/20231128/1701163147949044984.pdf>);

The details of the financial information of the Group for the year ended 31 December 2021 were disclosed on pages 161–313 of the Company’s 2021 Annual Report published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042904727.pdf>) and the website of the Company (<http://www.cdt-re.com/xnygsweb/ueditor/jsp/upload/file/20231128/1701166961140088365.pdf>);

The details of the financial information of the Group for the year ended 31 December 2020 were disclosed on pages 156–309 of the Company’s 2020 Annual Report published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042902151.pdf>) and the website of the Company (<http://www.cdt-re.com/xnygsweb/ueditor/jsp/upload/file/20231128/1701167014532085482.pdf>).

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2023, the Group had unaudited outstanding interest-bearing debts of RMB56,152,281 thousand, comprising borrowings from financial institutions of RMB47,457,454 thousand, bonds payable of RMB2,300,000 thousand and financial lease costs payable of RMB5,751,894 thousand, of which (1) for borrowings from financial institutions, the guaranteed borrowings amounted to RMB848,116 thousand, the secured borrowings amounted to RMB2,523,687 thousand, and the unsecured and unguaranteed borrowings amounted to RMB44,947,918 thousand; (2) for bonds payable, all of them are unsecured and unguaranteed bonds; (3) for financial lease costs payable, all of them are secured financial lease.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any mortgages, charges, debentures, loan capital, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptances credits, or any guarantees, or any other contingent liabilities outstanding at the close of business on 30 September 2023.

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 30 September 2023.

### 3. WORKING CAPITAL

As at the Latest Practicable Date, having made careful enquiries and taking into account of the internal resources of and credit facilities available to the Group as well as the Financial Services Agreement and Finance Lease Business Framework Agreement and the transactions contemplated respectively thereunder, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

### 4. EFFECT ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

In respect of the deposit services contemplated under the Financial Services Agreement, the Company expects that the Group's deposit of funds with Datang Finance will generate interest income and increase its earnings. The deposit services contemplated under the Financial Services Agreement will not have an impact on the assets and liabilities of the Group.

In respect of the transactions contemplated under the Finance Lease Business Framework Agreement, the Company adopted, among others, International Financial Reporting Standards ("IFRS") 16 (Leases) in its consolidated statement of financial position in connection with leases and finance leases.

Pursuant to the IFRS 16 (Leases), the Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable.

Accordingly, under IFRS 16 (Leases), the Company will recognise the leased assets of relevant direct lease(s) which represents the right of the Company to use the leased assets (except short-term leases and low-value leases), subject to the specific lease terms and conditions to be set out in each of the lease agreements.

For the sale and lease-back, the relevant transactions will be accounted for as a finance leasing arrangement between the Company and the Lessors under IFRS 16 (Leases). According to the relevant arrangements, the Lessors shall purchase the Leasing Equipment from the Lessees and lease them back to the Lessees. Upon the expiry of the lease term of the Specific Agreement(s), the Lessees shall have an option to purchase the relevant Leasing Equipment at a nominal price. As substantial risks and rewards of such assets are retained by the Group before and after these arrangements, the transaction will not satisfy the requirement of IFRS 15 (Revenue from Contracts with Customers) to be accounted for as a sale of an asset. According to IFRS 16 (Leases), the seller-lessee shall continue to recognise the transferred assets and shall recognise a financial liability equal to the transfer proceeds by applying IFRS 9 (Financial instruments).

## 5. FINANCIAL AND TRADING PROSPECTS

The Company's financial and business outlook for the second half of 2023 is set out below:

**(1) To sprint for the realisation of the annual target, and truly safeguard the production safety and stable situation**

Firstly, the Company will establish big safety concept, and conscientiously implement various requirements on production safety. It will also make great efforts to identify and rectify major risks and hidden dangers in key areas, focus on key issues at the site and the safety of the machineries and equipments, and promote the construction of intrinsic safety projects in an in-depth manner.

Secondly, the Company will ensure the achievement of all the operation targets. It will strengthen overall budget management, make great efforts and do a good job in the management of the whole process of financial expenses, technical reform expenses and labour costs, and maximise the sources of income and reduction of expenditure. A benchmarking mechanism for the amount of electricity generated and utilisation hours will be improved, to closely monitor the productivity improvement in each of the grassroots enterprises and secure rush for power generation. The information on operation of new projects shall be understood, so as to further improve the quality of investment.

**(2) To reinforce its confidence to seize opportunities and accelerate the promotion of high-quality development**

Firstly, the Company will rely on its resource stock to drive incremental development. The Company will give play to the advantages of the regions where it operates, make full use of its stock of resources, and vigorously explore and strive for more opportunities for the construction of large bases. According to the million kilowatt-class “wind, photovoltaic power-storage”, “wind, photovoltaic, thermal power-storage” and “wind, photovoltaic, hydro power-storage” new energy base clusters creating plan, the Company will strive to invest in the construction of million-kilowatt class new energy bases.

Secondly, the Company will accelerate the development of offshore wind power, and vigorously develop distributed photovoltaic and decentralised wind power. It will actively launch the large-scale development of contiguous decentralised wind power, make reasonable use of land resources such as barren hills and upland and coastal beaches and mud flat, and promote the “the Wind Riding Campaign in Thousands of Townships and Villages” in central and south-eastern China.

**(3) To actively promote quality and efficiency enhancement and continuously improve the profitability of the assets**

Firstly, the Company will strengthen power and power price management to increase operating revenue. Focusing on equipment management, the Company will strengthen benchmarking, renovate unprofitable units in a hierarchical classification manner, analyze data on power loss in a refined manner, strengthen overhauling and equipment management, and continuously enhance its power generation capacity. It will strengthen the management of power price, intensify the research on the rules of electricity trading in regional markets, and reasonably set the optimal ratio of traded electricity in each trading cycle. It will also pay attention to the growth of the rate of penetration of new energy, strengthen apportioned management over auxiliary services, and minimize the quota apportioned to it. Also, it will actively organise its grassroots enterprises to apply for green power certificates, do a good job in new energy, green power and green certificate trading, closely track relevant policies and trading rules, and explore the potential for efficiency gains from green certificates and green power.

Secondly, the Company will continue to reduce various costs and fees. The Company will further consolidate its advantage in low financing costs, continue to reduce borrowing rate through the means including replacing high-cost financing, expanding financing channels and improving our bargaining power for borrowing rate. It will analyse the changes in the capital market accurately, and issue various types of bonds at opportune timing. It will also enhance the level of digital operation to strictly control labour costs.

Thirdly, the Company will carry out the feasibility study on the upgrading and transformation of old units. According to the Administrative Measures for the Upgrading and Decommissioning of Wind Farms, priority will be given to regions with good resource conditions, high parity tariffs and good consumption conditions to carry out the upgrading of wind farms of “replacing small facilities with large ones”, and the Company will focus on provinces and regions including Inner Mongolia, Jilin, Yunnan, Shandong, Gansu and Liaoning.

**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 aspects 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 AND CONFIRMATIONS**

- (a) as at the Latest Practicable Date, none of the Directors, supervisors or senior management of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provision of the SFO); or are required pursuant to section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers;
- (b) the Company has not granted its Directors, supervisors, senior management or their respective spouses or children below 18 any rights to subscribe for its equity securities or debt securities as at the Latest Practicable Date;
- (c) as at the Latest Practicable Date, apart from Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping and Mr. Shi Feng who are directors and/or employees of CDC Group, none of the Directors is a director or employee of a company having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO;
- (d) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting as at the Latest Practicable Date and significant in relation to the business of the Group;
- (e) as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been since 31 December 2022, being the date to which the latest published audited annual financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;



- (f) save as disclosed in the section “INTERESTS OF DIRECTORS IN COMPETING BUSINESS” of the third paragraph of this Appendix, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group’s business) which competes or is likely to compete either directly or indirectly with the Group’s business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder) as at the Latest Practicable Date;
- (g) as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2022, the date to which the latest published audited annual financial statements of the Company were made up;
- (h) as at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company entered or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)); and
- (i) as at the Latest Practicable Date, the Board confirms that, after making all reasonable enquires and to the best of their knowledge, information and belief, there are no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholders, or any obligation or entitlement of any Shareholders, whereby such Shareholders have or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares, either generally or on a case-by-case basis.

## 3. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed below, none of the Directors and their associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group:

<b>Name of Directors</b>	<b>Position in the Company</b>	<b>Other Interests</b>
Mr. Yu Fengwu	Non-executive Director	A full-time director of subsidiaries delegated by CDC
Mr. Liu Quancheng	Non-executive Director	A full-time director of subsidiaries delegated by CDC
Ms. Zhu Mei	Non-executive Director	A full-time director of subsidiaries delegated by CDC
Mr. Wang Shaoping	Non-executive Director	Vice director of the finance department of CDC
Mr. Shi Feng	Non-executive Director	Chief accountant and a member of the Party Committee of China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.* (中國水利電力物資集團有限公司); the chief accountant and a member of the Party Committee of China Datang International Trading Corporation* (中國大唐集團國際貿易有限公司)

\* For identification purpose only

#### 4. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS HOLDING DISCLOSEABLE INTERESTS IN THE COMPANY

As at the Latest Practicable Date, as far as known to the Directors and chief executives of the Company, the following persons had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept pursuant to Section 336 of the SFO, or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote at a general meeting under all circumstances:

Name of Shareholder	Class of Shares	Capacity	Number of Shares Held	Percentage in the Relevant Class of Share	Percentage in the Total Share Capital
CDC <sup>(Note 1)</sup>	Domestic Shares	Beneficial owner and interests in a controlled corporation	4,772,629,900 (Long position)	100%	65.61%
China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.* (中國水利電力物資集團有限公司) <sup>(Note 1)</sup>	Domestic Shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
Baoshan Iron & Steel Co., Ltd.* (寶山鋼鐵股份有限公司) <sup>(Note 2)</sup>	H Shares	Interests in a controlled corporation	164,648,000 (Long position)	6.58%	2.26%
Bao-Trans Enterprises Limited <sup>(Note 2)</sup>	H Shares	Beneficial owner	164,648,000 (Long position)	6.58%	2.26%
BlackRock, Inc.	H Shares	Interests in a controlled corporation	230,911,499 (Long position)	9.23%	3.27%
			19,074,000 (Short position)	0.76%	0.29%

*Notes:*

- (1) CDC directly holds 4,173,255,395 Domestic Shares and is deemed to be interested in 599,374,505 Domestic Shares held by China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.\*, by virtue of the fact that China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.\* is a wholly-owned subsidiary of CDC, therefore, CDC, directly and indirectly, holds 4,772,629,900 Domestic Shares of the Company in total.
- (2) Baoshan Iron & Steel Co., Ltd.\* indirectly holds 164,648,000 H Shares through its wholly-owned subsidiary, Bao-Trans Enterprises Limited.

\* For identification purpose only

Save as disclosed in this circular, as at the Latest Practicable Date, the Directors and chief executive of the Company are not aware that there is any party who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote at a general meeting under all circumstances.

## 5. MATERIAL CONTRACTS

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, no contracts (not being contracts entered into in the ordinary course of business) were entered into by the Group which are or may be material.

## 6. LITIGATION

As at the Latest Practicable Date, as far as was known to the Directors, no member of the Group was engaged in any litigation, arbitration or claim of material importance and there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

## 7. QUALIFICATION OF EXPERT AND CONSENT

The following are the qualifications of the expert who has provided opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Trinity Corporate Finance Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

- (a) As of the Latest Practicable Date, Trinity has given and has not withdrawn its written consents to the issue of this circular with inclusion of its letter (as the case may be) and the reference to its name included herein in the form and context in which they currently appear.
- (b) As of the Latest Practicable Date, Trinity did not hold any beneficial interest in the share capital of any member of the Group, nor did it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (c) As of the Latest Practicable Date, Trinity did not have any interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited annual financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**8. OTHER INFORMATION**

- (a) The joint company secretaries of the Company are Ms. Zou Min and Ms. Kwong Yin Ping, Yvonne (a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom).
- (b) The registered office of the Company in the PRC is at Room 6197, 6/F, Building 4, Courtyard 49, Badachu Road, Shijingshan District, Beijing, the PRC; the head office in the PRC is at 8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC; the principal place of business in Hong Kong is at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (c) H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published for display on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cdt-re.com>) from the date of this circular up to and including 28 December 2023:

- (a) the letter from the Independent Board Committee, full text of which is set out on pages 26 to 27 of this circular;
- (b) the letter from Trinity, full text of which is set out on pages 28 to 53 of this circular;
- (c) the written consent of the experts referred to in paragraph 7 of this appendix;
- (d) the Financial Services Agreement; and
- (e) the Finance Lease Business Framework Agreement.

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## NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2023

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**中国大唐集团新能源股份有限公司**

China Datang Corporation Renewable Power Co., Limited\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01798)**

### NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2023

**NOTICE IS HEREBY GIVEN** that the third extraordinary general meeting in 2023 (“EGM”) of China Datang Corporation Renewable Power Co., Limited\* (the “**Company**”) will be held at 10:00 a.m. on Thursday, 28 December 2023 at Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC to consider the following matters:

#### ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the deposit services contemplated under the Financial Services Agreement and their proposed annual caps for the three years ending 31 December 2026
2. To consider and approve the resolution in relation to the transactions contemplated under the Finance Lease Business Framework Agreement and their proposed annual caps for the three years ending 31 December 2026
3. To consider and approve the resolution in relation to the adjustments to the financial budget plan for 2023

#### SPECIAL RESOLUTION

4. To consider and approve the resolution in relation to the adjustments to the financing plan for 2023

By order of the Board

**China Datang Corporation Renewable Power Co., Limited\***

**Zou Min**

*Joint Company Secretary*

Beijing, the PRC, 30 November 2023

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## NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2023

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*Notes:*

1. The register of members will be closed by the Company from Wednesday, 20 December 2023 to Thursday, 28 December 2023 (both days inclusive). To be eligible to attend the EGM, all instruments of transfer accompanied by relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) or the Company's head office in the PRC at 8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing 100053, the PRC (for holders of Domestic Shares of the Company) not later than 4:30 p.m. on Tuesday, 19 December 2023.
2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the EGM on his or her behalf.
3. The instrument to appoint a proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.
4. To be valid, the form of proxy must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Shareholders of H Shares of the Company) or the Company's head office in the PRC at 8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing 100053, the PRC (for Shareholders of Domestic Shares of the Company) not less than 24 hours before the EGM. If such instrument is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorization documents shall, together with the instrument appointing the proxy, be deposited at the specified place at the time set out in such instrument.
5. If the appointer is a legal person, its legal representative or any person authorised by resolutions of the board or other governing bodies may attend the EGM on behalf of the appointer.
6. The Company has the rights to request a proxy who attends the EGM on behalf of a Shareholder to provide proof of identity.
7. The EGM is expected to take less than half a day. Shareholders who attend the EGM shall be responsible for their own travel and accommodation expenses.
8. The address of the Company's head office in the PRC is as follows:

8/F, Building 1  
No. 1 Caishikou Street  
Xicheng District  
Beijing 100053  
the PRC

*As at the date of this notice, the executive director of the Company is Mr. Liu Guangming; the non-executive directors are Mr. Yu Fengwu, Mr. Liu Quancheng, Ms. Zhu Mei, Mr. Wang Shaoping and Mr. Shi Feng; and the independent non-executive directors are Mr. Lo Mun Lam, Raymond, Mr. Yu Shunkun and Mr. Qin Haiyan.*

\* *For identification purpose only*