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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)

**ANNOUNCEMENT
CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT**

CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, on 16 October 2018, CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewable HK entered into the Capital Increase Agreement, pursuant to which the parties agreed to make further capital contribution in the total sum of RMB500 million to Datang Finance Leasing in proportion to their respective shareholdings in Datang Finance Leasing. Upon completion of the capital increase, the parties' respective shareholdings in Datang Finance Leasing shall remain unchanged.

Pursuant to the Capital Increase Agreement, Datang Renewable HK, a wholly-owned subsidiary of the Company, proposed to make capital contribution in the sum of RMB100 million (to be settled in U.S. dollars) to Datang Finance Leasing. Upon completion of the capital increase, the shareholding of Datang Renewable HK in Datang Finance Leasing shall remain unchanged at 20%.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Datang Renewable HK is a wholly-owned subsidiary of the Company. 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 wholly-owned subsidiary of CDC, and Datang Power is a non-wholly-owned subsidiary of CDC, and thus they are connected persons of the Company. Datang Overseas HK is a wholly-owned subsidiary of CDC Overseas Investment which in turn is a wholly-owned subsidiary of CDC, and thus Datang Overseas HK is a connected person of the Company. Therefore, the capital contribution to Datang Finance Leasing by Datang Renewable HK, a wholly-owned subsidiary of the Company, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Increase Agreement are more than 0.1%, and all applicable percentage ratios are less than 5%, the Capital Increase Agreement is only subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

CAPITAL INCREASE AGREEMENT

Date

16 October 2018

Parties

- (1) CDC Capital Holding;
- (2) Datang Power;
- (3) Datang Overseas HK; and
- (4) Datang Renewable HK.

Major Terms of the Capital Increase Agreement

1. CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewable HK agreed to make further capital contribution in cash in the total sum of RMB500 million to Datang Finance Leasing in proportion to their existing shareholdings in Datang Finance Leasing. Among which, CDC Capital Holding agreed to make capital contribution in the sum of RMB200 million, Datang Power agreed to make capital contribution in the sum of RMB100 million, Datang Overseas HK agreed to make capital contribution in the sum of RMB100 million (to be settled in U.S. dollars), and Datang Renewable HK agreed to make capital contribution in the sum of RMB100 million (to be settled in U.S. dollars).

The amount of registered capital contributed by, and the shareholding held by each of the parties immediately prior to and after the completion of the capital increase are set out as below:

Name of Shareholders	Registered capital prior to the completion of the capital increase (RMB million)	Shareholding prior to the completion of the capital increase	Capital to be injected for the capital increase (RMB million)	Registered capital after the completion of the capital increase (RMB million)	Shareholding after the completion of the capital increase
CDC Capital Holding	800	40%	200	1,000	40%
Datang Power	400	20%	100	500	20%
Datang Overseas HK	400	20%	100	500	20%
Datang Renewable HK	400	20%	100	500	20%

2. Timing for making the capital contribution: The capital contribution shall be paid in full by the parties within two years from the date on which the registration of the registered capital of Datang Finance Leasing has been changed to RMB2,500 million and the business license has been issued.
3. The parties agree to amend the terms of the Co-investment Contract to reflect the abovementioned terms numbered 1 and 2.

Effective Date of the Capital Increase Agreement

The Capital Increase Agreement will become effective when it is duly signed by the relevant legal representatives or authorised representatives of the parties and affixed with their respective company chops. Application shall be made for the registration of the change to the relevant registration authority.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The operations and development of Datang Finance Leasing demonstrate favorable trends, however the development and the external financing capability of Datang Finance Leasing will be limited by low capital, which will impact the capital efficiency and the shareholder's return. Thus, capital contribution to Datang Finance Leasing will increase its asset size, elevate its financing capability and enhance its growth potential and competitiveness, and enables the Company to obtain a better return on investment.

The Directors (excluding Directors required to abstain but including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and its Shareholders as a whole. The Board has considered and approved the capital increase on 29 December 2017, with connected Directors, namely, Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan^(Note) and Mr. Liu Baojun abstaining from voting on the relevant resolution in respect of considering and approving the Capital Increase Agreement at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the Capital Increase Agreement.

GENERAL INFORMATION

Information of the Company

The Company is a joint stock limited company incorporated in the PRC in September 2004. The Company is a leading renewable energy generation company in PRC in terms of wind power installed capacity. 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; as well as leasing of property.

Note: Mr. Liang Yongpan resigned as a non-executive Director of the Company with effect from 26 June 2018.

Information of Datang Finance Leasing

Datang Finance Leasing is a company with limited liability incorporated in the PRC in November 2012. It is a wholly-owned subsidiary indirectly held by CDC and has a registered capital of RMB2,000 million (prior to the capital increase set out in this announcement). It is principally engaged in finance leasing business, leasing business, purchase of the leased assets domestically and abroad, and the consultation of the lease transactions.

Information of CDC Capital Holding

CDC Capital Holding is a company with limited liability incorporated in the PRC in September 2005 and a wholly-owned subsidiary of CDC. It is principally engaged in investment management, asset management, investment enquiries, etc.

Information of Datang Power

Datang Power is a Sino-foreign joint stock company incorporated in the PRC with limited liability on 13 December 1994 and a subsidiary of CDC. It is concurrently listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: 991). It is principally engaged in the development and operation of power plants, the sale of electricity and thermal power, and the repair and maintenance of power equipment and power related technical services.

Information of Datang Overseas HK

Datang Overseas HK is a company with limited liability incorporated in Hong Kong and a wholly-owned subsidiary of CDC Overseas Investment, a wholly-owned subsidiary of CDC. It is primarily engaged in investment, development, construction and management of domestic and overseas power energy; manufacturing, repair and maintenance of power equipment and so forth.

Information of Datang Renewable HK

Datang Renewable HK is a company with limited liability incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It is principally engaged in power and energy project related businesses.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Datang Renewable HK is a wholly-owned subsidiary of the Company. 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 wholly-owned subsidiary of CDC, and Datang Power is a non-wholly-owned subsidiary of CDC, and thus they are connected persons of the Company. Datang Overseas HK is a wholly-owned subsidiary of CDC Overseas Investment which in turn is a wholly-owned subsidiary of CDC, and thus Datang Overseas HK is a connected person of the Company. Therefore, the capital contribution to Datang Finance Leasing by Datang Renewable HK, a wholly-owned subsidiary of the Company, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Increase Agreement are more than 0.1%, and all applicable percentage ratios are less than 5%, the Capital Increase Agreement is only subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Capital Increase Agreement”	the “Capital Increase Agreement for Datang Finance Leasing Co., Ltd.” dated 16 October 2018 entered into among CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewable HK in relation to the further capital contribution to Datang Finance Leasing
“CDC”	China Datang Corporation Ltd., a state-owned company established in the PRC and a controlling shareholder of the Company

“CDC Capital Holding”	China Datang Corporation Capital Holding Co., Ltd., a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CDC
“CDC Overseas Investment”	China Datang Corporation Overseas Investment Co., Ltd. (中國大唐集團海外投資有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CDC
“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 Capital Increase 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
“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
“Co-investment Contract”	the co-investment contract (as amended on 5 September 2014) entered into by CDC Capital Holding, Datang Power, Datang Overseas HK and Datang Renewable HK in relation to the investment in Datang Finance Leasing
“Datang Finance Leasing”	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 an indirectly wholly-owned subsidiary of CDC
“Datang Overseas HK”	China Datang Overseas (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CDC Overseas Investment
“Datang Power”	Datang International Power Generation Co., Ltd., a company incorporated in the PRC with limited liability and a subsidiary of CDC, being concurrently listed on the Stock Exchange (stock code: 0991), the Shanghai Stock Exchange (stock code: 601991) and the London Stock Exchange (stock code: 991)

“Datang Renewable HK”	Datang Renewable Power (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Cui Jian
Joint Company Secretary

Beijing, the PRC, 16 October 2018

As at the date of this announcement, the executive directors of the Company are Mr. Hu Shengmu and Mr. Meng Lingbin; the non-executive directors are Mr. Chen Feihu, Mr. Liu Guangming, Mr. Li Yi and Mr. Liu Baojun; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purposes only*