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**大唐国际发电股份有限公司**

**DATANG INTERNATIONAL POWER GENERATION CO., LTD.**

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 00991)**

**ANNOUNCEMENT  
CONNECTED TRANSACTION  
DISPOSAL OF 52% EQUITY INTEREST IN TARGET COMPANY**

**EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that on 16 June 2022, the Company entered into the Equity Transfer Agreement with Energy Investment Company, pursuant to which the Company has conditionally agreed to dispose of, and Energy Investment Company has conditionally agreed to acquire 52% equity interest in Target Company at a consideration of RMB497,203,500.

As at the date of this announcement, the Company holds 52% equity interest in Target Company, thus Target Company is a non-wholly owned subsidiary of the Company. Upon the completion of the Disposal, the Company will cease to hold any equity interest in Target Company and Target Company will cease to be a subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, CDC together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company, and Energy Investment Company is a wholly-owned subsidiary of CDC. Therefore, Energy Investment Company is a connected person of the Company. The Disposal constitutes a connected transaction of the Company.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 0.1% but less than 5%, the Disposal is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent Shareholders' approval requirement.

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The principal terms of the Equity Transfer Agreement are set out below:

### **Date**

16 June 2022

### **Parties**

- (A) The Company (as the transferor); and
- (B) Energy Investment Company (as the transferee)

### **Subject Matter**

The Company has conditionally agreed to dispose of, and Energy Investment Company has conditionally agreed to acquire 52% equity interest in Target Company, which is subject to the terms and conditions of the Equity Transfer Agreement.

### **Consideration and Payment Terms**

The consideration of the disposal of 52% equity interest in Target Company is RMB497,203,500, which was determined after arm's length negotiation based on the appraised value of the corresponding part of 52% equity interest in Target Company on the Valuation Benchmark Date. According to the valuation report issued by Beijing Guorongxinghua Assets Appraisal Co., Ltd. (北京國融興華資產評估有限責任公司), an independent valuer, as of the Valuation Benchmark Date, the appraised value of the corresponding part of 52% equity interest in Target Company is approximately RMB497,203,500.

Energy Investment Company shall pay 30% of the above consideration (the “**Upfront Payment**”) to the designated bank account of the Company within five days upon fulfilment of all conditions precedent of the Equity Transfer Agreement and shall pay the balance (i.e. 70% of the above consideration) to the designated bank account of the Company by 31 December 2022.

## **Completion**

Within 30 days after completion of the Upfront Payment by Energy Investment Company, the Company shall actively assist and cooperate with Target Company on the Disposal to apply to the state-owned property rights registration authority and market supervision and administration authority for change of industrial and commercial registration and the articles of association for the transfer of 52% equity interest in Target Company.

## **Conditions Precedent**

The Equity Transfer Agreement shall be signed by the legal representatives or authorized representatives of both parties and affixed with their respective official seals and will take effect on the date when all the following conditions precedent are fulfilled:

- (i) Target Company has made necessary and effective resolutions for approval of the Disposal and the amendments to the articles of association to reflect the Disposal;
- (ii) The Company has truthfully and completely disclosed the assets and liabilities of Target Company to Energy Investment Company, and has provided Energy Investment Company with true and complete documents related to Target Company, including the articles of association, register of members, financial reports, etc.;
- (iii) The valuation of the 52% equity interest in Target Company involved in the Disposal has been approved by/filed with the relevant authorities;
- (iv) The shareholders waive the pre-emptive right that it is entitled to for the 52% equity interest in Target Company involved in the Disposal; and
- (v) The parties have obtained the respective approvals from their respective internal approval authorities for the Disposal.

## **INFORMATION ON TARGET COMPANY**

Target Company is a limited liability company established in the PRC in April 2003. As at the date of this announcement, the registered capital of Target Company is RMB60 million, which is held as to 52%, 32% and 16% by the Company, Changjing Holding Group Co., Ltd. (昌鯨控股集團有限公司) and China Energy Power Fuel Co., Ltd. (中能源電力燃料有限公司), respectively. Target Company is principally engaged in the operation of the Kongduigou coal mine project.

The key financial data of Target Company for the years ended 31 December 2020 and 2021 prepared in accordance with the PRC Accounting Standards for Business Enterprises are set out below:

	<b>Year ended 31 December 2020</b>	<b>Year ended 31 December 2021</b>
	<i>RMB'0,000</i>	<i>RMB'0,000</i>
	(Audited)	(Audited)
Profit before tax	764.14	752.96
Profit after tax	573.11	564.72

As at 31 December 2021, the audited total assets and net assets of Target Company were approximately RMB429,790,900 and RMB125,707,000, respectively.

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

Since the Company acquired 52% equity interest in Target Company in 2008, affected by a series of factors including the adjustment of ground structures and regional planning, as well as the adjustment of coal policies in the Inner Mongolia region, the progress of the Kongduigou coal mine project has been slow. Besides, at present, the Company lacks professional technicians in the coal field and experience in coal mine construction and operation, and the Company itself does not have the ability to independently promote project development, construction and operation. In addition, there is still considerable uncertainties in the approval of the Kongduigou coal mine project. Based on the above factors, the Company intends to transfer 52% equity interest in Target Company.

Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement is entered into on normal commercial terms, and relevant terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS**

The Company expects to recognize profits of approximately RMB3,470,000 for the Disposal which is calculated with reference to the consideration of the 52% equity interest in Target Company, the book value of the 52% equity interest in Target Company as at the Valuation Benchmark Date and the taxes payable. The calculations are estimates provided for illustrative purposes only. Shareholders should note that the actual amount of profit from the Disposal to be recorded by the Company shall be subject to review by the Company's auditor.

The net proceeds are intended to be used as general working capital of the Company.

## **APPROVAL BY THE BOARD**

The twenty-ninth meeting of the tenth session of the Board has considered and approved the Resolution on Transferring 52% Equity of Inner Mongolia Datang International Zhungeer Mining Company Limited, details of which were set out in the overseas regulatory announcement of the Company dated 29 March 2022.

None of the Directors has any material interest in the Equity Transfer Agreement. Mr. Liu Jianlong and Mr. Su Min, the connected Directors, have abstained from voting on the relevant resolution in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

## **INFORMATION ON THE RELATED PARTIES**

1. The Company was established in December 1994 and is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power; the repair and maintenance of power equipment; power related technical services. The main service areas of the Company are in the PRC.
2. CDC was established on 9 March 2003 with a registered capital of RMB37.0 billion. It is principally engaged in the development, investment, construction, operation and management of power energy; organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as self-operation and agent for the import and export of various commodities and technologies.
3. Energy Investment Company was established in February 2009 with a registered capital of RMB7,281 million. It is mainly engaged in scientific research, development, mining, sales, storage and processing of the coal industry; cargo handling services, and cargo transportation and operation by railways, highways and ports; industrial investment; entrusted management of assets; consulting services for comprehensive coal science, technology and economic information; coal efficient combustion technology and devices; production and sales of building materials products of coal gangue series; production, sales, leasing and maintenance of mining machinery; geological exploration, construction engineering and surveying and measurement of coal mines; self-operated and agency import and export business of various commodities and technologies; investment, construction and operation of overseas coal projects. As of the date of this announcement, Energy Investment Company is a wholly-owned subsidiary of CDC.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company, and Energy Investment Company is a wholly-owned subsidiary of CDC. Therefore, Energy Investment Company is a connected person of the Company. The Disposal constitutes a connected transaction of the Company.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 0.1% but less than 5%, the Disposal is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent Shareholders' approval requirement.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“CDC”	China Datang Corporation Ltd., a wholly state-owned company established under the laws of the PRC, whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and is a controlling shareholder of the Company, details of which please refer to the section headed “Information on the Related Parties” in this announcement
“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H Shares are listed on the Stock Exchange and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange. Details of which please refer to the section headed “Information on the Related Parties” in this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Disposal”	the disposal of 52% equity interest in Target Company by the Company to Energy Investment Company in accordance with the terms and conditions of the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and Energy Investment Company on 16 June 2022 in relation to the transfer of 52% equity interest in Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Energy Investment Company”	China Datang Group Energy Investment Co., Ltd. (中國大唐集團能源投資有限責任公司), details of which please refer to the section headed “Information on the Related Parties” in this announcement
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Inner Mongolia Datang International Zhungeer Mining Company Limited (內蒙古大唐國際准格爾礦業有限公司), details of which please refer to the section headed “Information on Target Company” in this announcement
“Valuation Benchmark Date”	31 December 2021
“%”	per cent

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

Beijing, the PRC, 16 June 2022

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

*Liang Yongpan, Ying Xuejun, Xiao Zheng, Su Min, Liu Jianlong, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing, Liu Jizhen\*, Niu Dongxiao\*, Kou Baoquan\*, Zong Wenlong\*, Si Fengqi\**

\* *Independent non-executive Directors*