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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
2024 COMPREHENSIVE PRODUCT AND
SERVICE FRAMEWORK AGREEMENT**

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

TRINITY
Trinity Corporate Finance Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 6 to 22 of this circular. A letter from the Independent Board Committee is set out on pages 23 to 24 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 53 of this circular.

9 December 2024

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DEFINITIONS

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

“2021 Comprehensive Product and Service Framework Agreement”	the agreement entered into between CDC and the Company on 15 November 2021 in relation to the mutual supply of products and services between CDC Group and the Group
“2024 Comprehensive Product and Service Framework Agreement”	the agreement entered into between CDC and the Company on 29 October 2024 in relation to the mutual supply of products and services between CDC Group and the Group
“Alternative Power Generation”	purchase or transfer of planned contracted generation indicator by trading of generation rights between two or more power generation companies on the principle of equality and free will and given that such trading will not prejudice the interests of power consumers. Pursuant to the trading, the purchaser (the replacer) completes the power generation indicator plan on behalf of the transferor (the replaced party), and the capacity traded shall be regarded as the alternative capacity. Trading of alternative capacity encourages and facilitates the disposal of all or part of its planned contracted capacity of generating units with high generation costs to those who are able to generate electricity with lower costs, thus optimizing the structure of power source as well as reducing consumption and emission
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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. For details, please refer to the section headed “Information in Relation to the Parties to the Agreement” of this circular
“CDC Group”	CDC, its controlled subsidiaries, subsidiaries and/or their respective associates (excluding the Group but including the connected subsidiaries of the Company)
“Coal Supply”	operating activities in respect of the supply of coal from one party to the agreement to another party
“Coal Transportation”	transportation of coal to designated locations through single or joint methods such as railway, highway and waterways

DEFINITIONS

“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H shares are listed on the Stock Exchange and the London Stock Exchange and whose A shares are listed on the Shanghai Stock Exchange. For details, please refer to the section headed “Information in Relation to the Parties to the Agreement” of this circular
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“connected subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 2024 third extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, to approve, among others, the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder
“Exempt CCTs”	collectively, the transactions other than the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement, of which the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) is less than 5%, and which are not subject to the Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules
“Flue Gas Environmental Protection Facilities Franchising”	in respect of the flue gas environmental protection facilities, including desulfurisation, denitrification or dust removal, etc., of subordinate power generation companies of the Company, of which the subordinate professional companies of CDC (as the franchisees) are responsible for investment and construction, the subordinate power generation companies of the Company authorize the franchisees to conduct franchising operation for the flue gas environmental protection facilities, including desulfurisation, denitrification or dust removal, etc. during the franchising period. During the franchising period, CDC Group will charge the Group for franchising fee in accordance with the electricity price subsidy policy as prescribed in the PRC, and the Group will charge CDC Group for water, electricity and gas costs incurred for the operation of flue gas environmental protection facilities

DEFINITIONS

“Group”	collectively, the Company, its controlled subsidiaries and/or its subsidiaries
“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors, namely Mr. Niu Dongxiao, Mr. Zong Wenlong, Mr. Zhao Yi, Mr. Zhu Dahong and Mr. You Yong, which has been formed to advise the Independent Shareholders on the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement
“Independent Financial Adviser” or “Trinity Corporate Finance Limited”	Trinity Corporate Finance Limited, a licensed corporation under the SFO permitted to conduct type 6 (advising on corporate finance) regulated activities for the purposes of the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement
“Independent Shareholder(s)”	Shareholder(s) other than CDC and its associates, and any other Shareholders who have material interests in the transactions contemplated under the 2024 Comprehensive Product and Service Framework Agreement
“Independent Third Party(ies)”	economic entity (i.e. company, enterprise and business unit) or natural person which, together with the ultimate beneficial owners of such economic entity, is independent of and not connected with CDC and its connected persons, as well as the Company and its connected persons
“Information System Development”	the implementation and construction of information systems, the operation and maintenance of information systems, the information technology consultations and the information technology services, etc.
“Infrastructure EPC Contracting”	the contracting services of the entire process or certain phases in the design, procurement, construction and trial operation of engineering construction projects by the general contractor who is appointed by the owner as stipulated in the agreements between the parties
“Latest Practicable Date”	4 December 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Non-exempt CCTs”	collectively, the transactions under the categories of (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Sale of Electricity (including Water, Gas and Other Resources) and Services and (iv) Flue Gas Environmental Protection Facilities Franchising in respect of products and services to be provided by CDC Group to the Group, as well as the transactions under the category of Sale of Electricity (including Water, Gas and Other Resources) and Services in respect of products and services to be provided by the Group to CDC Group, of which the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) is more than 5%, and which are subject to the reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules
“Operation Management”	operation on equipment such as monitoring, inspection, starting and stopping, and reconfiguration
“PRC”	the People’s Republic of China
“Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services”	the entrustment of other professional companies for conducting centralized procurement of certain general-purpose equipment and materials for project construction, technological transformation projects and repair and maintenance of production, and providing related centralized procurement services relating to such as tendering agency, technology and business negotiation, assembly of goods, supervision and expediting of goods, storage and transportation, arrival inspection, and quality assurance; and conducting coordinated process services management including procurement services, contract execution and performance services (equipment supervision and inspection, expediting delivery and shipment) related to major equipment and materials for large infrastructure projects, and on-site material management for infrastructure projects
“Property Management and Other Logistical Services”	the entrustment of property service companies for facilities related to buildings owned by the Group to conduct various services such as logistic management of such facilities
“Repair and Maintenance”	routine maintenance and repair on equipment
“Research and Development in Technological Projects”	research by power generation companies such as theoretical research, key technologies research, experimental research in relation to technology projects of power generation companies, which forms technological output such as key technologies, scientific results, patents and thesis

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Sale of Electricity (including Water, Gas and Other Resources) and Services”	the sale of electricity (including water, gas and other resources) owned by power generation companies or provision of related services
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technical Supervision and Technical Services”	the provision of regular technical proposals and guidance on measures upon discovery of issues on the operation and technical management of power generation equipment primarily through supervision and analysis on relevant operation information and performance indicators of such power generation equipment, and the provision of various services for addressing a particular technical issue, such as unconventional calculation, design, surveying, analysis, installation, commissioning, provision of technical analysis, improvement on technical process, implementation of special experiment and technical diagnosis, etc.
“Technological Transformation”	technological transformation projects that transform obsolete technologies into advanced technologies and replace outdated technology and equipment with advanced ones by upholding the principle of technological advancement, thereby achieving the goal to expand production capacities through organic growth, diversify product portfolio and enhance product quality, at the same time saving energy, reducing raw materials consumption, enhancing labour productivity and increasing economic benefits
“%”	per cent

LETTER FROM THE BOARD



大唐国际发电股份有限公司
DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 00991)

Executive Director:

Mr. Li Kai (Chairman)

Non-executive Directors:

Mr. Xu Guang

Mr. Tian Dan

Mr. Ma Jixian

Mr. Zhu Shaowen

Mr. Wang Jianfeng

Mr. Zhao Xianguo

Mr. Jin Shengxiang

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Hong Kong

Independent non-executive Directors:

Mr. Niu Dongxiao

Mr. Zong Wenlong

Mr. Zhao Yi

Mr. Zhu Dahong

Mr. You Yong

9 December 2024

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
2024 COMPREHENSIVE PRODUCT AND
SERVICE FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 29 October 2024 in relation to the 2024 Comprehensive Product and Service Framework Agreement.

LETTER FROM THE BOARD

The purposes of this circular are to, among others, (i) provide you with further details of the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder; (ii) set out the recommendation of the Independent Board Committee in respect of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement; and (iii) set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement.

2024 COMPREHENSIVE PRODUCT AND SERVICE FRAMEWORK AGREEMENT

Date

29 October 2024

Parties

1. The Company; and
2. CDC

Principal Terms

(1) Subject matters

CDC Group agreed to provide products and services (including the (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Technological Transformation, Operation Management and Repair and Maintenance, (iv) Technical Supervision and Technical Services, (v) Infrastructure EPC Contracting, (vi) Sale of Electricity (including Water, Gas and Other Resources) and Services, (vii) Alternative Power Generation, (viii) Flue Gas Environmental Protection Facilities Franchising, (ix) Research and Development in Technological Projects, (x) Information System Development and (xi) Property Management and Other Logistical Services) to the Group during the term of the 2024 Comprehensive Product and Service Framework Agreement.

The Group agreed to provide products and services (including the (i) Coal Supply and Coal Transportation, (ii) Sale of Electricity (including Water, Gas and Other Resources) and Services, (iii) Alternative Power Generation, (iv) Operation Management and Repair and Maintenance and (v) supply of water, electricity and gas for the Flue Gas Environmental Protection Facilities Franchising) to CDC Group during the term of the 2024 Comprehensive Product and Service Framework Agreement.

CDC and its subsidiaries (excluding the Company and its subsidiaries) and/or associates may enter into specific contracts in respect of the above matters with the Company and its subsidiaries as required from time to time during the term of the 2024 Comprehensive Product and Service Framework Agreement, and such specific contracts shall be subject to the terms of the 2024 Comprehensive Product and Service Framework Agreement.

LETTER FROM THE BOARD

(2) *Term*

The term of the 2024 Comprehensive Product and Service Framework Agreement shall be three years, commencing from 1 January 2025 and continuing up to and including 31 December 2027.

(3) *Pricing policy*

The pricing of the transactions under the 2024 Comprehensive Product and Service Framework Agreement shall be determined in accordance with the following general principles and order:

- (a) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any product or service, such product or service shall be supplied at the applicable government-prescribed price. If there is no government-prescribed price, but a government-guided fee standard is available, the price shall be determined within the range of the government-guided price.
- (b) Market price and tender and bidding price: where there is no government-prescribed price or government-guided price, the price shall be determined on normal commercial terms and based on the following: the price of the same or similar products or services provided by an Independent Third Party during its ordinary course of business on normal commercial terms. At least two comparable transactions with Independent Third Parties for the same period shall be considered when determining whether the transaction price for any product or service under the 2024 Comprehensive Product and Service Framework Agreement is the market price. The Company shall conduct market price survey through industrial websites and other independent information providers in the industry. Where tender and bidding procedures¹ are necessary under applicable laws and regulations, the price shall be ultimately determined in accordance with the tender and bidding procedures.
- (c) Agreed price: if the above pricing principles are not or cannot be applied in the actual transaction, the price shall be determined based on the agreed price, that is, the price shall be determined through arm's length negotiations between the parties, but in any event not less favourable than the conditions and prices on which the same or similar transactions with Independent Third Parties are based. Before determining the price, the Company shall conduct price survey through industrial websites and other independent information providers in the industry.

¹ In accordance with the Law of the PRC on Bid Invitation and Bidding (《中華人民共和國招標投標法》) and the Regulation on the Implementation of the Law of the PRC on Bid Invitation and Bidding (《中華人民共和國招標投標法實施條例》), the public tender procedures comprise four stages. Firstly, an invitation of tender will be posted on the websites of China Procurement and Bidding (<http://www.chinabidding.com.cn>) and China Datang e-commerce platform (<http://www.cdtec.com>). Secondly, a tendering agent will be appointed to conduct the public tender process and at least three qualified tenderers are required to participate in the public tender process. Thirdly, the tendering agent will select at least five experts who are not in conflict of interests with the relevant transactions, and such experts will form a tender evaluation committee to assess the tender. Lastly, the tender evaluation committee will assess the tenderers based on various factors, including the tenderers' technical experience, professional qualification, project management abilities, business reputation and tendered prices, etc. After carrying out relevant evaluation procedures and considering the aforementioned factors, the Company will select the winner for the tender.

LETTER FROM THE BOARD

On basis of the general principles above, the specific pricing principles of various types of transactions under the 2024 Comprehensive Product and Service Framework Agreement are set out as follows:

- (a) In respect of the (i) Technological Transformation, (ii) Operation Management and Repair and Maintenance, (iii) Infrastructure EPC Contracting, (iv) Research and Development in Technological Projects, (v) Information System Development and (vi) Property Management and Other Logistical Services, the service provider shall be determined through the bidding procedures stipulated by relevant laws and regulations of the PRC or negotiations, inquiries and comparisons, and other procurement methods stipulated by the Company's procurement management measures, and relevant related enterprise (connected person) can only win the bid if the comprehensive score of technical ability, price and business ranks first. The transaction price shall be the final tender price.
- (b) In respect of the Procurement of Production and Infrastructure Materials, the Group agreed to entrust CDC Group to carry out centralized purchase of production and infrastructure materials, the prices of which shall be determined through public bidding. CDC Group will charge a certain management service fee, which shall not exceed 6% of the purchase amount, in respect of its relevant services undertaken in centralized procurement. The price for the entire package of service for equipment shall be calculated on the basis of the scope of actual services provided and the pricing standard of the entire package of services for relevant materials. Such service fee shall be determined through arm's length negotiations between both parties and taking into account the management service fees charged by other independent cooperative service providers when providing similar services. The relevant management service fee to be charged by CDC Group shall not be higher than the fee which has been charged in providing same services to Independent Third Parties or other companies within CDC Group. The said management service fee of not more than 6% of the purchase amount is arrived at after considering the management service fees charged by Independent Third Parties providing similar services and it is ascertained that the management service fee charged by Independent Third Party is not more than 6% of the purchase amount of the production and infrastructure materials. Before entering into specific procurement contract, the material management department of the Company will verify the management service fee to ensure that the rate of the management service fee is not higher than that stipulated by the 2024 Comprehensive Product and Service Framework Agreement.
- (c) On the prerequisite that the market price of coal has been taken into account, the price of the Coal Supply and Coal Transportation shall be determined on the basis of arm's length negotiations and on normal commercial terms and prevailing market conditions. Relevant factors such as purchase costs of coal, transportation costs of coal, trend of market change, changes in policies, historical transaction price and potential price fluctuations shall also be taken into account.

The fuel management department of the Company is responsible for collecting the market prices of coal and coal transportation with reference to the trend of market change in the last three years as the basis of determining the consideration. The sale prices of coal shall be determined according to the purchase costs of coal incurred by the subordinate fuel companies

LETTER FROM THE BOARD

of each of the Company and CDC responsible for the procurement of fuel, the demands for coal consumption from the subordinate power generation companies of each of the Company and CDC, the trend of change in the Bohai-Rim Steam-Coal Price Index¹ and the trend of international price change, upon negotiation between the subordinate power generation companies of each of the Company and CDC, as well as taking into account factors such as the transportation costs of coal of the subordinate shipping companies of the Company, the transportation demands of coal of relevant companies of the Company, historical transaction price and potential price fluctuations. The price of market coal shall be formed upon determination of the price of electricity purchase and coal sale in mid-to-long term agreements and coal transportation prices through negotiation among the subordinate power generation companies, the subordinate coal mining companies and the subordinate fuel companies of each of the Company and CDC, as well as the shipping companies of the Company, respectively, or through the bidding platform for coal procurement in the market.

- (d) In respect of the Technical Supervision and Technical Services, the price shall be determined through negotiation by both parties with reference to the market price after having taken into account factors such as variance among service projects of thermal power, hydropower and wind power units, and the installed capacity and regional differences of power generation companies, ensuring that the transaction price shall not be higher than the price charged by Independent Third Parties for the provision of similar services.
- (e) In respect of the Alternative Power Generation, provided that the market transaction price of alternative electricity and its marginal benefit have been taken into account, its price shall be determined through negotiations by both parties in accordance with the principle of fairness and impartiality and benefit sharing, as well as on normal commercial terms and prevailing market conditions. Marginal benefit means the incremental benefit from acquiring or transferring a unit of product. For the transferee, the benefit from the alternative power generation of each unit should be higher than the costs incurred for each unit of change in power generation. Such costs incurred for each unit of change in power generation would at least include fuel expenses, water expenses and fees related to environmental protection, etc., as well as take into consideration factors such as tax expenses, compensation for ancillary services relating to power generation and deviation assessment. For the transferor, the total benefits arising from the contract should be higher than the total benefits that may be obtained from generating electricity by the transferor on its own.
- (f) In respect of the Sale of Electricity (including Water, Gas and Other Resources) and Services, the price for purchase and sale of electricity (including water, gas and other resources) and services shall be determined through negotiations between both parties with the objectives of

¹ The Bohai-Rim Steam-Coal Price Index is an index system that objectively reflects the price level and trend of spot trading, the price level of offshore closeout and the fluctuation of steam coal in the ports in the Bohai Rim region (China's vast economic regions and key areas of national development and opening-up, being composed of Beijing-Tianjin-Hebei region, Shandong Peninsula and central and southern region of Liaoning), which is the reference system for China's steam coal prices.

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achieving “complementary advantages, mutual benefit and win-win collaboration”, and with reference to the market price in accordance with the principle of equality, impartiality and fairness¹.

- (g) The franchising fee in respect of the Flue Gas Environmental Protection Facilities Franchising shall be determined on the basis of the government-prescribed price or government-guided price²; and the water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising shall be determined through negotiations between the parties, based on the costs of the water, electricity and gas provided by the power generation companies and in accordance with the principle of fairness, impartiality and fairness¹.

(4) Principles of transactions

- (a) Both parties agreed that, for products and services to be provided by the counterparty, if the conditions for services and products offered by an Independent Third Party is less favourable than or the same as the conditions imposed by the counterparty, and/or the price payable to an Independent Third Party is higher than or the same as the price payable to the counterparty, preference shall be given to products and services offered by the counterparty.
- (b) Both parties agreed that, saved as agreed in paragraph (4)(a) above, the entering into of the 2024 Comprehensive Product and Service Framework Agreement shall not affect the selection of their respective counterparties or their conduction of transactions with third parties. If a third party can provide products and services at more favourable terms and/or prices, a party shall be entitled to entrust such third party to provide those products and services.
- (c) If a party is unable to satisfy the other party’s requirements on products and services, or if the terms provided by an Independent Third Party are more favourable than those of the other party, such party shall be entitled to receive products and services from the Independent Third Party.
- (d) Before fulfilling the demands for products and services of the other party, neither party shall provide such products and services to an Independent Third Party unless the Independent Third Party offers more favourable prices and terms than those of the other party. However, if a party is willing to offer prices and/or terms not less favourable than those provided by the Independent Third Party, the other party shall prioritise such party in fulfilling its demands for products and services.

¹ The pricing policy for the water, electricity and gas is based on the government’s prescribed requirements, in which the costs of the water, electricity and gas reflect the market price.

² Governmental authorities such as the National Development and Reform Commission issue the prescribed price or guided price of the franchising fee in respect of the Flue Gas Environmental Protection Facilities Franchising from time to time. These prices are published on the official websites of the National Development and Reform Commission, the local development and reform commissions and the National Energy Administration, such as the official website of the National Development and Reform Commission (<https://www.ndrc.gov.cn/>), the official website of Hebei Development and Reform Commission (<http://hbdrcc.hebei.gov.cn/>) and the official website of the National Energy Administration (<http://www.nea.gov.cn/>), from time to time.

LETTER FROM THE BOARD

- (e) For each year, each party will provide the counterparty with an estimate of the demand for products and services required for the following year in advance.
- (f) It is anticipated that the Company and its subsidiaries will enter into individual supply or service agreements with other subsidiaries of CDC from time to time and as required. The Company reserves the right to make changes to the 2024 Comprehensive Product and Service Framework Agreement pursuant to listing rules of places where the Company is listed.

Annual Caps

The annual caps for the transaction amounts under the 2024 Comprehensive Product and Service Framework Agreement for the three years ending 31 December 2025, 31 December 2026 and 31 December 2027 are set out as follows:

(1) Products and services to be provided by CDC Group to the Group

No.	Transaction	For the year ending 31 December 2025 <i>(RMB'00 million)</i>	For the year ending 31 December 2026 <i>(RMB'00 million)</i>	For the year ending 31 December 2027 <i>(RMB'00 million)</i>
1.	Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services	245	245	235
2.	Coal Supply	240	245	308
3.	Technological Transformation, Operation Management and Repair and Maintenance	4	4	4
4.	Technical Supervision and Technical Services	5	5	5
5.	Infrastructure EPC Contracting	10	10	10
6.	Sale of Electricity (including Water, Gas and Other Resources) and Services	50	50	55
7.	Alternative Power Generation	1.5	1.5	1.5
8.	Franchising fee in respect of the Flue Gas Environmental Protection Facilities Franchising	35	35	40
9.	Research and Development in Technological Projects	2	2	2
10.	Information System Development	2	2	2
11.	Property Management and Other Logistical Services	0.8	0.8	0.8

LETTER FROM THE BOARD

(2) *Products and services to be provided by the Group to CDC Group*

No.	Transaction	For the year ending 31 December 2025 (RMB'00 million)	For the year ending 31 December 2026 (RMB'00 million)	For the year ending 31 December 2027 (RMB'00 million)
1.	Coal Supply and Coal Transportation	9	9	9
2.	Sale of Electricity (including Water, Gas and Other Resources) and Services	25	25	25
3.	Alternative Power Generation	1.5	1.5	1.5
4.	Operation Management and Repair and Maintenance	2.5	2.5	2.5
5.	Water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising	11	11	11

The above proposed annual caps are determined after considering the following factors: (1) the expected increase in procurement of thermal power as well as wind power, photovoltaic and other new energy equipment; (2) the expected increase in coal supply in the future as a result of the impact of the “dual carbon” goals on coal prices and the commissioning of new units; (3) more potential businesses expected to be carried out in areas of Technological Transformation, and Operation Management and Repair and Maintenance of the Group based on the actual overall business scale and operational arrangements; (4) the expected increase in the cost of sale of electricity, cost of sale of resources, carbon emission reduction resource trading and other related service fees based on the actual overall business scale and operational arrangements; (5) the expected increase in Alternative Power Generation transactions as a result of the implementation of the national energy conservation and emission reduction policy; and (6) the historical transaction amounts of the abovementioned products and services mutually provided between CDC Group and the Group in the preceding three years.

Among which, the respective proposed annual caps of the Non-exempt CCTs were determined by the Company after taking into consideration of the following specific factors:

With respect to the Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services provided by CDC Group to the Group: in 2023, the Company adhered to implement the requirements of “dual carbon” goals, promoted the green and low-carbon transformation, and accelerated the power generation structural adjustment, and the development pace of new energy sped up significantly. In 2023, the Company had 184 power projects approved with an approved capacity of 12,782.43 MW, including 4,000 MW of thermal power coal-fired projects, 1,076 MW of thermal power gas-fired projects, 2,217.3 MW of wind power projects and 5,489.13 MW of photovoltaic projects; the installed capacity of the power projects under construction of the Company was 9,964.65 MW, including 4,670.12 MW of thermal power projects, 3,047.65 MW of wind power projects and 2,146.88 MW of photovoltaic projects. In the first half of 2024, the Company adhered to seize the opportunity of transformation and development, vigorously developed strategic emerging industries mainly based on new energy, accelerated the acquisition of resources for large-scale and high-quality new energy projects, promoted the iterative development of new generation coal-fired power projects in a selective and echelon manner, further enhanced the capacity of supply guarantee for the capital, and accelerated the transformation and upgrading of the Company’s traditional industries. In the first

LETTER FROM THE BOARD

half of 2024, the Company had 122 power projects approved with an approved capacity of 4,714.985 MW, including 1,109.3 MW of wind power projects and 3,605.685 MW of photovoltaic projects; the capacity of the power projects under construction of the Company was 11,869.15 MW, including 5,746.12 MW of thermal power projects, 3,457.65 MW of wind power projects and 2,665.38 MW of photovoltaic projects. Therefore, based on the continuous expansion of new energy and coal-fired power projects development, the Company determined the above proposed annual caps according to the expected demand for corresponding increase in materials and equipment of thermal power, wind power and photovoltaic. The slight decrease in the proposed annual cap for the year ending 31 December 2027 as compared with the previous two years is due to the estimated schedule of the obtaining of the project approvals, the development of projects under construction and the procurement plan of production and infrastructure materials.

With respect to the Coal Supply provided by CDC Group to the Group: due to the relatively low utilization rate of annual cap for the year ended 31 December 2023, being 35.71%, the Company has significantly lowered and determined the above proposed annual caps. The annual caps for the three years ending 31 December 2027 are RMB24 billion, RMB24.5 billion and RMB30.8 billion, respectively, showing a year-on-year increasing trend. This is due to the expected increase in coal supply as a result of the impact of the “dual carbon” policy on coal prices, and the expected increase in the Company’s operating scale taking into account the Company’s new production plan for 2025 to 2027.

With respect to the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by CDC Group to the Group: in recent years, electricity spot trading has been vigorously promoted in China. Multiple regional electricity spot markets have been launched, and many regions over the country have started both intra-provincial and inter-provincial electricity spot trading, with the trading volume continuously increasing. Based on the current national electricity trading situation and considering the expected growth of the Company’s operational scale, it is expected that the trading scale in various regional electricity markets will gradually expand, leading to a continuous increase in the volume of market-based electricity trading. In light of the foregoing factors and in combination with the actual overall business scale and operation arrangements, it is expected that the cost of sale of electricity and relevant services provided by CDC Group to the Group from 2025 to 2027 will be approximately RMB3.5 billion per annum; and it is expected that the cost of carbon performance, carbon trading and relevant services provided by the subordinate carbon asset companies and relevant entities of CDC to the subordinate power generation companies of the Group from 2025 to 2027 will be approximately RMB1.5 billion per annum.

With respect to the Flue Gas Environmental Protection Facilities Franchising provided by CDC Group to the Group: the overall electricity consumption of the society is expected to increase, resulting in an increase in the power generation of the Company. On the premise that the unit price of franchise fee remains unchanged, the amount of franchise fee will increase along with the increase of the Company’s power generation. Based on the above factors and the historical transaction amounts of the preceding three years, the Company determined the above proposed annual caps accordingly.

With respect to the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by the Group to CDC Group: as mentioned above, it is expected that the trading scale in various regional electricity markets will gradually expand, leading to a continuous increase in the volume of market-based electricity trading. In light of the foregoing factors and in combination with the actual overall business scale and operation arrangements, it is expected that the cost of sale of electricity and relevant services provided by the Group to CDC Group from 2025 to 2027 will be approximately RMB1.8 billion per annum; and it is

LETTER FROM THE BOARD

expected that the cost of Carbon Emission Allowances (CEA) or China Certified Emission Reduction (CCER) sold by the subordinate power generation companies of the Company to the subordinate carbon asset companies of CDC from 2025 to 2027 will be approximately RMB0.7 billion per annum.

Historical Transaction Amounts

The historical annual caps for the three years ended/ending 31 December 2022, 31 December 2023 and 31 December 2024, and the actual transaction amounts for the two years ended 31 December 2022 and 31 December 2023 and the seven months ended 31 July 2024, are set out as follows:

(1) *Products and services provided by CDC Group to the Group*

No.	Transaction	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ending 31 December 2024	For the seven months ended 31 July 2024
		Annual cap (RMB'00 million)	Actual amount	Annual cap (RMB'00 million)	Actual amount	Annual cap (RMB'00 million)	Actual amount
1.	Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services	170	53.86	285	69.97	235	47.64
2.	Coal Supply	485	136.92	485	173.17	485	97.08
3.	Technological Transformation, Operation Management and Repair and Maintenance	4	1.37	4	0.98	4	0.70
4.	Technical Supervision and Technical Services	5	3.91	5	3.85	5	1.05
5.	Infrastructure EPC Contracting	18	3.54	18	1.91	18	2.99
6.	Sale of Electricity (including Water, Gas and Other Resources) and Services	6.5	0.49	6.5	1.24	6.5	0.96
7.	Alternative Power Generation	4	0.19	4	—	4	0.39
8.	Franchising fee in respect of the Flue Gas Environmental Protection Facilities Franchising	35	25.41	35	28.25	35	14.58
9.	Research and Development in Technological Projects	1	0.23	1	0.78	1	0.04
10.	Information System Development	1	0.81	1	0.97	1	0.13
11.	Property Management and Other Logistical Services	0.5	0.29	0.5	0.33	0.5	0.01

LETTER FROM THE BOARD

(2) *Products and services provided by the Group to CDC Group*

No.	Transaction	For the year ended 31 December 2022		For the year ended 31 December 2023		For the year ending 31 December 2024	For the seven months ended 31 July 2024
		Annual cap (RMB'00 million)	Actual amount	Annual cap (RMB'00 million)	Actual amount	Annual cap (RMB'00 million)	Actual amount
1.	Coal Supply and Coal Transportation	125	5.36	125	4.16	125	2.99
2.	Sale of Electricity (including Water, Gas and Other Resources) and Services	12.5	0.08	12.5	0.08	12.5	—
3.	Alternative Power Generation	4.5	—	4.5	—	4.5	0.82
4.	Operation Management and Repair and Maintenance	1.5	1.20	1.5	1.38	1.5	0.52
5.	Water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising	10	8.36	10	7.67	10	6.05

The relatively lower utilization rates of annual caps in respect of certain transactions mentioned above are mainly due to the following factors:

For the Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services provided by CDC Group to the Group: as affected by factors such as the overall demand or project progress of certain production and infrastructure projects falling short of expectations in the past, the procurement plan was not implemented in full as planned, and the actual transaction amounts did not meet the expectations.

For the Coal Supply provided by CDC Group to the Group and the Coal Supply and Coal Transportation provided by the Group to CDC Group: due to the vigorous promotion of the “dual carbon” goals in recent years, new energy power generation seized the market of thermal power generation, limiting the space for coal-fired units power generation and resulting in a lower-than-expected coal procurement. Meanwhile, in recent years, affected by the continuing downward fluctuation of coal prices, Datang International (Hong Kong) Limited (“**Hong Kong Company**”), which is a connected subsidiary of the Company and serves as the overseas imported coal procurement platform, does not have sufficient price advantage as compared to domestic coal prices, leading to a significant decrease in coal procurement by the Group and CDC Group from Hong Kong Company.

For the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by CDC Group to the Group and the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by the Group to CDC Group: in recent years, the electricity spot market widely developed across the country, and the actual business amount of certain enterprises was less than expected as affected by the factors such as the regional spot market rules, and the reduced electricity demand of transmission channels and receiving provinces due to natural factors.

LETTER FROM THE BOARD

The Board confirmed that as of the Latest Practicable Date, the current annual caps for the year ending 31 December 2024 for products and services provided by CDC Group to the Group as well as products and services provided by the Group to CDC Group under the 2024 Comprehensive Product and Service Framework Agreement have not been exceeded.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2024 COMPREHENSIVE PRODUCT AND SERVICE FRAMEWORK AGREEMENT

The Company is of the view that the entering into of the 2024 Comprehensive Product and Service Framework Agreement with CDC can ensure that the Company is able to obtain reliable and guaranteed comprehensive products and services, such as coal, materials and services, thereby reducing its operational risks and costs and enhancing work efficiency, which are all beneficial to the normal development of the Company's production and operation.

In respect of the Non-exempt CCTs contemplated under the 2024 Comprehensive Product and Service Framework Agreement only, the Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the Independent Financial Adviser) are of the view that such transactions were entered into on normal commercial terms and in the ordinary course of business of the Company and such transactions are fair, just and reasonable and in the interests of the Company and its Shareholders as a whole.

In respect of the other types of transactions (except for Non-exempt CCTs) contemplated under the 2024 Comprehensive Product and Service Framework Agreement only, the Directors (including the independent non-executive Directors) are of the view that such transactions were entered into on normal commercial terms and in the ordinary course of business of the Company and such transactions are fair, just and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROLS

Internal Control Policy to Monitor Connected Transactions

According to the requirements of management system of the connected transactions of the Company, relevant specialized departments of the Company, such as the fuel management department, the supply chain management department, the engineering construction department, the marketing department, the production and environmental protection department and other departments¹, are responsible for tracing and monitoring the implementation of connected transactions within their respective scope of business management. During this process, the relevant specialized departments of the Company are responsible for information collection and price monitoring of connected transactions and assessing the fairness and reasonableness of the terms of the transactions (including the pricing terms) to ensure that the terms of the relevant transactions (including the pricing terms) are on normal commercial terms, fair and reasonable, and no less favourable than those available to or from Independent Third Parties, and comply with the relevant pricing policies. In particular, in order to ensure that the pricing terms of the relevant connected transactions are fair and reasonable and comply with the pricing policy under the 2024 Comprehensive Product and Service Framework Agreement, the relevant specialized departments of the Company shall exercise supervisory functions and implement the following internal procedures in respect of the pricing of connected transactions: (a) where the government-prescribed price or government-guided price is applicable, they shall visit the official websites of the relevant governmental authorities to obtain the prescribed price or guided price issued from time to time and review the pricing of the transactions accordingly; (b) where the market price, that is the price of the same or similar products or services provided by an Independent Third Party, is applicable, they shall actively obtain market price information through various channels, such as by making reference to at least two comparable transactions with Independent Third Parties for the same period, or conducting market price surveys through various independent providers of industry information including industry websites, so as to assess whether the pricing of such transactions is not less favorable than the prices offered by Independent Third Parties in the market; (c) where the tender and bidding price is applicable, they shall supervise the tendering procedures stipulated in the relevant PRC laws and regulations or the procurement procedures such as negotiations, inquiries and comparisons as stipulated in the Company's procurement management rules; and (d) where an agreed price is applicable, they shall assess the pricing of the transactions by verifying reasonable costs through comparison of comparable average costs of similar enterprises in the neighboring region or costs of similar products.

¹ The specific division in respect of the implementation of internal control measures for various products and services under the 2024 Comprehensive Product and Service Framework Agreement by the relevant specialized departments of the Company is as follows:

The supply chain management department is responsible for Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services; the fuel management department is responsible for Coal Supply and Coal Transportation; the production and environmental protection department is responsible for (i) Technological Transformation, Operation Management and Repair and Maintenance, (ii) Technical Supervision and Technical Services, (iii) Research and Development in Technological Projects and (iv) Information System Development; the engineering construction department is responsible for Infrastructure EPC Contracting; the marketing department is responsible for (i) Sale of Electricity (including Water, Gas and Other Resources) and Services, (ii) Alternative Power Generation and (iii) franchising fee and water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising; and the general office is responsible for Property Management and Other Logistical Services.

LETTER FROM THE BOARD

In addition, the relevant specialized departments of the Company establish management accounts for connected transactions, designate specialists for management and maintenance and regularly consolidate the transaction amounts incurred in the connected transactions on a quarterly basis, to ensure that the actual amounts of the continuing connected transactions would not exceed the annual caps. In the event that the actual amount may exceed the annual cap, the Company will re-comply with the necessary approval procedures in respect of the continuing connected transaction that is expected to exceed its annual cap.

Re-complying with the Listing Rules in respect of the Revision of Annual Caps

If it is anticipated that any of the annual caps in respect of the 2024 Comprehensive Product and Service Framework Agreement will be exceeded during the term of the 2024 Comprehensive Product and Service Framework Agreement, the Company will re-comply with the applicable compliance obligations under Chapter 14A of the Listing Rules based on the threshold of the applicable percentage ratios in respect of each of the revised annual cap for the respective sixteen categories in respect of provision of products and services under the 2024 Comprehensive Product and Service Framework Agreement.

Annual Review of Continuing Connected Transactions by External Auditors

The external auditors of the Company will issue a letter to the Board regarding the continuing connected transactions of the Company annually pursuant to the Listing Rules, reporting on the Company's pricing policies and annual caps of continuing connected transactions conducted during the previous financial year (including the transactions contemplated under the 2024 Comprehensive Product and Service Framework Agreement).

Annual Review of Continuing Connected Transactions by Independent Non-executive Directors

The independent non-executive Directors of the Company will conduct an annual review on the continuing connected transactions conducted by the Company throughout the previous financial year in accordance with the requirements of the Listing Rules, and confirm the transaction amount and terms of the continuing connected transactions in the Company's annual report, and make sure that these transactions are entered into on normal commercial terms, are fair and reasonable, and are conducted in accordance with the relevant terms of the agreement governing continuing connected transactions.

APPROVAL OF THE BOARD

The thirty-third meeting of the eleventh session of the Board has considered and approved the "Resolution on the Entering into of the Comprehensive Product and Service Framework Agreement for 2025-2027 with China Datang Corporation Ltd." (please refer to the overseas regulatory announcement of the Company dated 29 October 2024 for details).

Directors Mr. Tian Dan and Mr. Ma Jixian, who are connected Directors due to their employments in CDC, have abstained from voting on the relevant resolution at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the 2024 Comprehensive Product and Service Framework Agreement and is required to abstain from voting on the relevant resolution of the Board.

LETTER FROM THE BOARD

INFORMATION IN RELATION TO THE PARTIES TO THE AGREEMENT

1. The Company was established in December 1994 and is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power related technical services. The Company's major service area is in the PRC.
2. CDC was established on 9 April 2003 with a registered capital of RMB37.0 billion. It is principally engaged in the development, investment, construction, operation and management of power energy; organisation of power (thermal) production and sales; manufacturing of power equipment and repair and commissioning of equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy; self-operation and agent for the import and export of various commodities and technologies.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CDC, the controlling shareholder of the Company, and its subsidiaries hold a total of approximately 53.09% of the issued share capital of the Company. CDC is therefore a connected person of the Company. As such, the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Among the eleven types of products or services to be provided by CDC Group to the Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the respective transactions under each of the categories of (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services; (ii) Coal Supply; (iii) Sale of Electricity (including Water, Gas and Other Resources) and Services; and (iv) Flue Gas Environmental Protection Facilities Franchising under the 2024 Comprehensive Product and Service Framework Agreement is 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.

For each of the remaining seven types of products or services to be provided by CDC Group to the Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio of the respective transactions under each category is more than 0.1% but less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Among the five types of products or services to be provided by the Group to CDC Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio of the transactions under the category of Sale of Electricity (including Water, Gas and Other Resources) and Services is 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.

LETTER FROM THE BOARD

For each of the remaining four types of products or services to be provided by the Group to CDC Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio of the respective transactions under each category is more than 0.1% but less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

EGM

The Company will convene the EGM to consider and approve, among others, the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transactions and its associates shall abstain from voting on the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM. Therefore, CDC and its associates, which hold 9,824,568,940 shares of the Company in aggregate as at the Latest Practicable Date, representing approximately 53.09% of the issued share capital of the Company, will abstain from voting on the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, apart from CDC and its associates, no other Shareholders have a material interest in the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder and shall abstain from voting on the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 23 to 24 of this circular which contains its recommendation to the Independent Shareholders on the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement. Your attention is also drawn to the letter of advice received from Trinity Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, as set out on pages 25 to 53 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement, the casting of votes for or against the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder as well as the principal factors and reasons considered by it in concluding its advice.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions under the 2024 Comprehensive Product and Service Framework Agreement are fair and reasonable, have been entered into after arm's length negotiation between the parties thereto, are on normal commercial terms and in the ordinary and usual course of business of the Company, are in the interests of the Company and its Shareholders as a whole, and they recommend the Shareholders to vote in favour of the resolution at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information set out in the appendix to this circular.

Yours faithfully,
By order of the Board of
Datang International Power Generation Co., Ltd.
Sun Yanwen
Joint Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 00991)

Office address

No. 9 Guangningbo Street
Xicheng District
Beijing, 100033
The PRC

9 December 2024

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders dated 9 December 2024 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

Under the Listing Rules, the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

We have been appointed as the Independent Board Committee to consider the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement and to advise the Independent Shareholders based on our opinion regarding whether the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement are fair and reasonable and whether the entering into of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement is in the interests of the Company and the Shareholders as a whole. Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from Trinity Corporate Finance Limited as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of Trinity Corporate Finance Limited as set out in its letter of advice, we consider that the entering into of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company. We also consider that the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement are fair and reasonable so far as the Shareholders are concerned and that the entering into of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Niu Dongxiao, Zong Wenlong, Zhao Yi, Zhu Dahong and You Yong

Independent non-executive Directors

Datang International Power Generation Co., Ltd.

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

The following is the full text of letter from Trinity Corporate Finance Limited, the Independent Financial Adviser, to the Independent Board Committee and Independent Shareholders in respect of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement, which has been prepared for the purpose of inclusion in this circular.

TRINITY

Trinity Corporate Finance Limited

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

9 December 2024

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

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS 2024 COMPREHENSIVE PRODUCT AND SERVICE 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 terms of the Non-exempt CCTs (including the proposed annual caps) under the 2024 Comprehensive Product and Service 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 9 December 2024 (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.

On 29 October 2024, the Company entered into the 2024 Comprehensive Product and Service Framework Agreement with CDC. The term of the agreement shall be three years, commencing from 1 January 2025 and continuing up to and including 31 December 2027.

As at the Latest Practicable Date, CDC, the controlling shareholder of the Company, and its subsidiaries, hold a total of 53.09% of the issued share capital of the Company. CDC is therefore a connected person of the Company. As such, the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Among the eleven types of products or services to be provided by CDC Group to the Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the respective transactions under each of the categories of (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services; (ii) Coal Supply; (iii) Sale of Electricity (including Water, Gas and Other Resources) and Services; and (iv) Flue Gas

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

Environmental Protection Facilities Franchising under the 2024 Comprehensive Product and Service Framework Agreement, is 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.

For each of the remaining seven types of products or services to be provided by CDC Group to the Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest of the applicable percentage ratio of the respective transactions under each category is more than 0.1% but less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Among the five types of products or services to be provided by the Group to CDC Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio of the transactions under the category of Sale of Electricity (including Water, Gas and Other Resources) and Services is 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.

For each of the remaining four types of products or services to be provided by the Group to CDC Group under the 2024 Comprehensive Product and Service Framework Agreement, as the highest applicable percentage ratio of the respective transactions under each category is more than 0.1% but less than 5%, such transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Non-exempt CCTs are collectively the transactions under the categories of (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply; (iii) Sale of Electricity (including Water, Gas and Other Resources) and Services; and (iv) Flue Gas Environmental Protection Facilities Franchising in respect of products and services to be provided by CDC Group to the Group, as well as the transaction under the category of Sale of Electricity (including Water, Gas and Other Resources) and Services in respect of products and services to be provided by the Group to CDC Group, of which the highest applicable percentage ratio is more than 5%, and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Exempt CCTs are collectively the transactions other than the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement, of which the highest applicable percentage ratio is less than 5%, and are not subject to the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company will convene the EGM to consider and approve, among others, the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the transactions and its associates shall abstain from voting on the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM. Therefore, CDC and its associates, which hold 9,824,568,940 shares of the Company in aggregate as at the Latest Practicable Date, representing approximately 53.09% of the issued share capital of the Company, will abstain from voting on the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, apart from CDC and its associates, no other Shareholders

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

have a material interest in the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder and shall abstain from voting on the resolution approving the 2024 Comprehensive Product and Service Framework Agreement and the transactions contemplated thereunder at the EGM.

An Independent Board Committee comprising the independent non-executive Directors (namely, Mr. Niu Dongxiao, Mr. Zong Wenlong, Mr. Zhao Yi, Mr. Zhu Dahong and Mr. You Yong) has been appointed to consider the terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement and to advise the Independent Shareholders in connection with the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement as to whether the terms of the Non-exempt CCTs contemplated thereunder are fair and reasonable and whether entering into the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement is in the interests of the Company and the Shareholders as a whole. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

At the thirty-third meeting of the eleventh session, the Board has considered and approved the “Resolution on the Entering into of the Comprehensive Product and Service Framework Agreement for 2025-2027 with China Datang Corporation Ltd.” (please refer to the overseas regulatory announcement of the Company dated 29 October 2024 for details). Directors Mr. Tian Dan and Mr. Ma Jixian, who are connected Directors due to their employments in CDC, have abstained from voting on the relevant resolution at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the 2024 Comprehensive Product and Service Framework Agreement and is required to abstain from voting on the relevant resolution of the Board.

As at the Latest Practicable Date, Trinity Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Trinity Corporate Finance Limited. In the last two years, Trinity Corporate Finance Limited has acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in connection with the discloseable transaction and continuing connected transaction in relation to 2023 factoring business cooperation agreement (details of which were set out in the circular of the Company dated 19 April 2023) and the major transactions, discloseable transactions and continuing connected transactions in relation to 2024 comprehensive financial services cooperation agreement (details of which were set out in the circular of the Company dated 29 May 2024). Apart from normal professional fees paid or payable to us in connection with such appointments, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions, therefore we consider such relationship would not affect our independence pursuant to Rule 13.84 of the Listing Rules.

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,

LETTER FROM TRINITY CORPORATE FINANCE LIMITED

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 Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement. We have independently reviewed, inter alia, the 2023 annual report and 2024 interim report of the Company, the historical transaction amounts, the Letter from the Board and samples of contracts of the Company relating to the 2024 Comprehensive Product and Service Framework Agreement.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Non-exempt CCTs under the 2024 Comprehensive Product and Service 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement, we have taken into account the following principal factors and reasons:

A. Information of the Company and CDC

The Company was established in December 1994 and is primarily engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power-related technical services, with its major service area located in the PRC.

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

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B. Financial Performance of the Company

As at 31 December 2023, the total assets of the Company amounted to approximately RMB304.039 billion. Total installed capacity under management of the Company amounted to approximately 73,290.96MW, and the power generation businesses of the Company and its subsidiaries are mainly distributed across 19 provinces (including municipalities and autonomous regions) throughout the country.

The following table is a summary of the consolidated income statement of the Group for the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2023 and 2024, as extracted from the respective annual reports and interim reports of the Company.

	For the year ended 31 December 2022 (audited and restated)	For the year ended 31 December 2023 (audited)	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2024 (unaudited)
<i>(Amounts expressed in millions of RMB)</i>				
Operating revenue	116,828	122,404	58,202	58,310
Profit before tax for the financial year/period	77	5,704	3,040	5,562
Net profit/(loss) for the financial year/period attributable to equity holders of the Company	(327)	1,439	1,926	3,243

For the financial year ended 31 December 2023, the Company completed power generation of approximately 274.959 billion kWh and on-grid power generation of approximately 259.426 billion kWh. The Company realised operating revenue of approximately RMB122,404 million, representing an increase of approximately 4.77% year-on-year; net profit attributable to equity holders of the Company of approximately RMB1,439 million, representing an increase of approximately RMB1,766 million compared with the end of 2022.

During the financial year ended 31 December 2023, there were a total of 184 power generation projects obtaining approval with approved capacity of 12,782.43MW, including two coal-fired generating unit projects with an approved capacity of 4,000MW, one thermal power and gas turbine project with approved capacity of 1,076MW, 16 wind power projects with an approved capacity of 2,217.3MW and 165 photovoltaic projects with an approved capacity of 5,489.13MW. New unit put into operation increased significantly. In 2023, the Company newly added generating units with 4,799.2MW of generation capacity, including 577MW of thermal power and gas turbine, 2,047.5MW of wind power projects and 1,604.7MW of photovoltaic projects.

During the financial year ended 31 December 2023, the installed capacity of the power projects under construction of the Company was 9,964.65MW, including 4,670.12MW of thermal power projects under construction, 3,047.65MW of wind power projects under construction and 2,146.88MW of photovoltaic projects under construction.

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During the six-month period ended 30 June 2024, the Group realised an operating revenue of approximately RMB58,310 million, representing an increase of approximately 0.19% as compared to the corresponding period in 2023. For the six-month period ended 30 June 2024, the Company had 122 power projects approved with an approved capacity of 4,714.985MW, including 1,109.3MW of wind power projects and 3,605.685MW of photovoltaic projects; the Company had 80 power projects under construction with the capacity under construction of 11,869.15MW, including 5,746.12MW of thermal power projects, 3,457.65MW of wind power projects and 2,665.38MW of photovoltaic projects.

C. Principal Terms of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement

As mentioned in the Letter from the Board, on 29 October 2024, the Company entered into the 2024 Comprehensive Product and Service Framework Agreement with CDC.

(1) Subject matter:

CDC Group agreed to provide products and services (including, inter alia, the Non-exempt CCTs comprising (i) Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services, (ii) Coal Supply, (iii) Sale of Electricity (including Water, Gas and Other Resources) and Services, and (iv) Flue Gas Environmental Protection Facilities Franchising) to the Group during the term of the 2024 Comprehensive Product and Service Framework Agreement.

The Group agreed to provide products and services (including, inter alia, the Non-exempt CCTs comprising the Sale of Electricity (including Water, Gas and Other Resources) and Services) to CDC Group during the term of the 2024 Comprehensive Product and Service Framework Agreement.

CDC and its subsidiaries (excluding the Company and its subsidiary) and/or associates may enter into specific contracts in respect of the above matters with the Company and its subsidiaries as required from time to time during the term of the 2024 Comprehensive Product and Service Framework Agreement, and such specific contracts shall be subject to the terms of the 2024 Comprehensive Product and Service Framework Agreement.

Based on our discussion with the Company, the 2024 Comprehensive Product and Service Framework Agreement encompasses a broad range of products and services which may be entered into between the Group and the CDC Group and the scope of products and services, inter alia, for the following categories under the Non-exempt CCTs are set out in more details below:

1. Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services: the entrustment of other professional companies for conducting centralized procurement of certain general-purpose equipment and materials for project construction, technological transformation projects and repair and maintenance of production, and providing related centralized procurement services such as tendering

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agency, technology and business negotiation, assembly of goods, supervision and expediting of goods, storage and transportation, arrival inspection, and quality assurance; and conducting coordinated process services management including procurement services, contract execution and performance services (equipment supervision and inspection, expediting delivery and shipment) related to major equipment and materials for large infrastructure projects, and on-site material management for infrastructure projects;

2. Coal Supply and Coal Transportation: operating activities in respect of the supply of coal from one party of the agreement to another party, and transportation of coal to designated locations through single or joint methods such as railway, highway and waterways;
3. Sale of Electricity (including Water, Gas and Other Resources) and Services: the sale of electricity (including water, gas and other resources) owned by power generation companies or provision of related services; and
4. Flue Gas Environmental Protection Facilities Franchising: in respect of the flue gas environmental protection facilities, including desulfurisation, denitrification or dust removal, etc., of subordinate power generation companies of the Company, of which the subordinate professional companies of CDC (as the franchisees) are responsible for investment and construction, the subordinate power generation companies of the Company authorize the franchisees to conduct franchising operation for the flue gas environmental protection facilities, including desulfurisation, denitrification or dust removal, etc. during the franchising period. During the franchising period, CDC Group will charge the Group for franchising fee in accordance with the electricity price subsidy policy as prescribed by the state, and the Group will charge CDC Group for water, electricity and gas costs incurred for the operation of flue gas environmental protection facilities.

(2) ***Term:***

The term of the 2024 Comprehensive Product and Service Framework Agreement shall be three years, commencing from 1 January 2025 and continuing up to and including 31 December 2027.

(3) ***Pricing policy of the Non-exempt CCTs:***

The pricing of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement shall be determined in accordance with the general principles and in the order as follows:

- (a) Government-prescribed price and government-guided price: if at any time, the government-prescribed price is applicable to any particular product or service, such product or service shall be supplied at the applicable government-prescribed price. If

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there is no government-prescribed price, but a government-guided fee standard is available, the price shall be determined within the range of the government-guided price.

- (b) Market price and tender and bidding price: where there is no government-prescribed price or government-guided price, the pricing will be determined on normal commercial terms and based on the following: the price of the same or similar products or services provided by an Independent Third Party during its ordinary course of business on normal commercial terms. At least two comparable transactions with Independent Third Parties for the same period shall be considered when determining whether the transaction price for any product or service under the 2024 Comprehensive Product and Service Framework Agreement is the market price. The Company shall conduct market price survey through industrial websites and other independent information providers in the industry. Where tender and bidding procedures (*Please see Note 1 for details*) are necessary under applicable laws and regulations, the price shall be ultimately determined in accordance with the tender and bidding procedures.
- (c) Agreed price: if the above pricing principles are not or cannot be applied in the actual transaction, the price shall be determined based on the agreed price, that is, the price shall be determined through arm's length negotiations between the parties, but in any event not less favourable than the conditions and prices on which the same or similar transactions with Independent Third Parties are based. Before determining the price, the Company shall conduct price survey through industrial websites and other independent information providers in the industry.

Note 1:

In accordance with the Law of the PRC on Bid Invitation and Bidding (《中華人民共和國招標投標法》) and the Regulation on the Implementation of the Law of the PRC on Bid Invitation and Bidding (《中華人民共和國招標投標法實施條例》), the public tender procedures comprise four stages. Firstly, an invitation of tender will be posted on the websites of China Procurement and Bidding (<http://www.chinabidding.com.cn>) and the China Datang e-commerce platform (<http://www.cdtec.com>). Secondly, a tendering agent will be appointed to conduct the public tender process and at least three qualified tenderers are required to participate in the public tender process. Thirdly, the tendering agent will select at least five experts who are not in conflict of interests with the relevant transactions, and such experts would form a tender evaluation committee to assess the tender. Lastly, the tender evaluation committee will assess the tenderers based on various factors, including the tenderers' technical experience, professional qualification, project management abilities, business reputation and tendered prices, etc. After carrying out relevant evaluation procedures and considering the aforementioned factors, the Company will select the winner for the tender.

According to the Letter from the Board, on the basis of the general principles above, the specific pricing principles of various types of Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement are set out as follows:

- (a) In respect of the Procurement of Production and Infrastructure Materials, the Group agreed to entrust CDC Group to carry out centralized purchase of production and infrastructure materials, the prices of which shall be determined through public bidding.

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CDC Group will charge a certain management service fee in respect of its relevant services undertaken in centralized procurement which shall not exceed 6% of the purchase amount.

According to the Letter from the Board, the price for the entire package of service of equipment shall be calculated on the basis of the scope of actual services provided and the pricing standard of the entire package of services and relevant materials. Such service fee shall be determined through arm's length negotiations between both parties taking into account the management service fees charged by other independent cooperative service providers when providing similar services. The relevant management service fee to be charged by CDC Group shall not be higher than the fee which has been charged in providing the same services to Independent Third Parties or other companies within CDC Group. The said management service fee of not more than 6% of the purchase amount is arrived at after considering the management service fees charged by Independent Third Parties providing similar services and it is ascertained that the management service fee charged by Independent Third Party is not more than 6% of the purchase amount of the production and infrastructure materials. Before entering into specific procurement contract, the material management department of the Company will verify the management service fee to ensure that the rate of the management service fee is not higher than that stipulated by the 2024 Comprehensive Product and Service Framework Agreement.

We have reviewed three samples of the terms of the procurement of production and infrastructure materials and relevant auxiliary services provided by CDC Group, which were selected by the Company on a random basis, and we note that the terms of such contracts have been properly authorized by the Company and confirm that the total purchase cost, including the management service fee charged by CDC Group, was lower than or equal to the purchase amount of the production and infrastructure materials and relevant auxiliary services provided by the Independent Third Parties.

In any event, as the final management service fee shall not exceed 6% and, as mentioned above, such final fee will be determined on the basis of arm's length negotiations in accordance with the scope of actual services provided and the appropriate pricing standard of the relevant package of service and materials, we consider that the final fee maybe 6% or lower and that such basis for management service fee determination is fair and reasonable and on normal and commercial terms. Since such basis of determination is not only subject to arm's length negotiations but also subject to the abovementioned criteria of 6% or lower, we consider the above sample size is adequate, sufficient, fair and representative in concluding our view that the overall terms of the procurement of production and infrastructure materials and relevant auxiliary services provided by CDC Group are equal to or more favourable than terms provided by the Independent Third Parties and are therefore in the interests of the Company and the Shareholders as a whole.

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Also, on the basis that the relevant management service fee to be charged by CDC Group shall not be higher than the fee to be charged for the provision of the same services to the Independent Third Parties or other companies within CDC Group, we consider that the above pricing principle for the Procurement of Production and Infrastructure Materials is fair and reasonable and on normal commercial terms or better.

We have discussed with the Company and are given to understand that, upon entering into specific procurement contract, the material management department of the Company will verify the management service fee and we concur with the Company that such measure is able to ensure that the rate of the management service fee is not higher than that stipulated by the 2024 Comprehensive Product and Service Framework Agreement.

In addition, we have reviewed the latest letter issued by the external auditor of the Company to the Board to report on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions of the Company conducted during the preceding financial year pursuant to the Listing Rules.

Accordingly, we consider the above independent work performed by us are sufficient to conclude that the pricing policies of the Company set out above are fair and reasonable and have been properly followed.

- (b) In respect of the Coal Supply and Coal Transportation, we have been informed by the Company that, on the prerequisite that the market price of coal has been taken into account, the price of Coal Supply and Coal Transportation shall be determined on the basis of arm's length negotiations and on normal commercial terms and prevailing market conditions. Relevant factors such as purchase costs of coal, transportation costs of coal, trend of market change, changes in policies, historical transaction price and potential price fluctuations shall also be taken into account.

We have also discussed with the Company and obtained an understanding that the fuel management department of the Company is responsible for collecting the market prices of coal and coal transportation with reference to the trend of market change in the last three years as the basis of determining the consideration. The sale prices of coal shall be determined according to the purchase costs of coal incurred by the subordinate fuel companies of each of the Company and CDC responsible for the procurement of fuel, the demand for coal consumption from the subordinate power generation companies of each of the Company and CDC, the trend of change in the Bohai-Rim Steam-Coal Price Index (*Please see Note 2 for details*) and the trend of international price change, upon negotiation between the subordinate power generation companies of each of the Company and CDC, as well as taking into account factors such as the transportation costs of coal of the subordinate shipping companies of the Company, the transportation demand of coal of relevant companies of the Company, historical transaction price and potential price fluctuations. The price of market coal shall be formed upon

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determination of the price of electricity purchase and coal sale in mid-to-long term agreements and coal transportation prices through negotiation among the subordinate power generation companies, the subordinate coal mining companies and the subordinate fuel companies of each of the Company and CDC, as well as the shipping companies of the Company, respectively, or through the bidding platform for coal procurement in the market.

Note 2:

The Bohai-Rim Steam-Coal Price Index is an index system that objectively reflects the price level and trend of spot trading, the price level of offshore closeout and the fluctuation of steam coal in the ports in the Bohai Rim region (China's vast economic regions and key areas of national development and opening-up, being composed of Beijing-Tianjin-Hebei region, Shandong Peninsula and central and southern region of Liaoning), which is the reference system for China's steam coal prices.

On the basis that the price for Coal Supply and Coal Transportation is determined after arm's length negotiations taking into account of the above various factors, including factors from independent market sources such as the market price of coal and transportation costs and demand, we consider that the pricing policy for Coal Supply and Coal Transportation is fair and reasonable and on normal commercial terms or better.

We have also reviewed three samples of the reports which have been randomly selected by the Company for our review, regarding discussions on the assessment of coal price determination and transportation costs, and confirm that the Company has carefully monitored the matters relating to the pricing policy of Coal Supply and Coal Transportation in order to assess the market price and prevailing market conditions for the purposes of entering into arm's length negotiations on normal commercial terms.

In addition, we have reviewed the latest letter issued by the external auditor of the Company to the Board to report on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions of the Company conducted during the preceding financial year pursuant to the Listing Rules.

Accordingly, we consider the above independent work performed by us are sufficient to conclude that the pricing policies of the Company set out above are fair and reasonable and have been properly followed.

- (c) In respect of the Sale of Electricity (including Water, Gas and Other Resources) and Services, the price for purchase and sale of electricity (including water, gas and other resources) and services shall be determined through negotiations between both parties with the objectives of achieving "complementary advantages, mutual benefit and win-win collaboration", and with reference to the market price in accordance with the principle of equality, impartiality and fairness (*Please see Note 3 for details*).

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On the basis that, as stated in Note 3 below, the pricing policy for the water, electricity and gas is based on the government's prescribed requirements, in which the costs of the water, electricity and gas reflect the market price, we consider that the pricing policy for sale of electricity (including water, gas and other resources) and services is fair and reasonable and on normal commercial terms.

We have reviewed three samples of the terms of the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by CDC Group, which were selected by the Company on a random basis, and confirm that the pricing policy for the water, electricity and gas was based on the government's prescribed requirements, in which the costs of the water, electricity and gas reflect the market price.

Note 3:

The pricing policy for the water, electricity and gas is based on the government's prescribed requirements, in which the costs of the water, electricity and gas reflect the market price.

- (d) In respect of the Flue Gas Environmental Protection Facilities Franchising, the franchising fee shall be determined on the basis of the government-prescribed pricing or government-guided price (*Please see Note 4 for details*); and the water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising shall be determined through negotiations between the parties, based on the costs of the water, electricity and gas provided by the power generation companies and in accordance with the principle of equality, impartiality and fairness (*Please see Note 4 for details*).

We have reviewed three samples of the Flue Gas Environmental Protection Facilities Franchising provided by CDC Group, which were selected by the Company on a random basis, and we note that the terms of such contracts have been properly authorized by the Company and confirm that the franchising fee for Flue Gas Environmental Protection Facilities Franchising was in accordance with the government-prescribed price or guided price; and the water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising was determined through negotiations between the parties, based on the costs of the water, electricity and gas provided by the power generation companies.

Note 4:

Governmental authorities such as the National Development and Reform Commission issue the prescribed price or guided price of the franchising fee in respect of the Flue Gas Environmental Protection Facilities Franchising from time to time. These prices are published on the official websites of the National Development and Reform Commission, the local development and reform commissions and the National Energy Administration, such as the official website of the National Development and Reform Commission (<https://www.ndrc.gov.cn/>), the official website of Hebei Development and Reform Commission (<http://hbdrc.hebei.gov.cn/>) and the official website of the National Energy Administration (<http://www.nea.gov.cn/>), from time to time.

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On the basis that the price for franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising is determined by government-prescribed price or government-guided price and costs of water, electricity and gas shall be determined through negotiations based on cost of such services provided by power generation enterprises, we consider that the pricing policy for Flue Gas Environmental Protection Facilities Franchising is fair and reasonable and on normal commercial terms.

The above samples of transactions of Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement, which are selected by the Company on a random basis for the purpose of our review of the Company's pricing policy, have covered the major products and/or services of the Company and are representative as an illustration to prove that the pricing terms with the Company's related party are no less favourable than those with the independent third parties, and given that the Company's independent non-executive Directors and auditors review the transactions in relation to the continuing connected transactions on an annual basis, we have no reason to doubt that such pricing policy is not consistently followed by the Company.

In addition, we have reviewed the latest letter issued by the external auditor of the Company to the Board to report on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions of the Company conducted during the preceding financial year pursuant to the Listing Rules.

Accordingly, we consider the above independent work performed by us are sufficient to conclude that the pricing policies of the Company set out above are fair and reasonable and have been properly followed.

(4) Principles of transactions:

- (a) Both parties agreed that, for products and services to be provided by the counterparty, if the conditions for services and products offered by an Independent Third Party is less favourable than or the same as the conditions imposed by the counterparty, and/or the price payable to an Independent Third Party is higher than or the same as the price payable to the counterparty, preference shall be given to products and services offered by the counterparty.
- (b) Both parties agreed that, saved as agreed in paragraph (4)(a) above, the entering into of the 2024 Comprehensive Product and Service Framework Agreement shall not affect the selection of their respective counterparties or their conduct of transactions with third parties. If a third party can provide products and services at more favourable terms and/or prices, a party shall be entitled to entrust such third party to provide those products and services.

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- (c) If a party is unable to satisfy the other party's requirements on products and services, or if the terms provided by an Independent Third Party are more favourable than those of the other party, such party shall be entitled to receive products and services from the Independent Third Party.
- (d) Before fulfilling the demand for products and services of the other party, neither party shall provide such products and services to an Independent Third Party unless that Independent Third Party offers more favourable prices and terms than those of the other party. However, if a party is willing to offer prices and/or terms not less favourable than those provided by the Independent Third Party, the other party shall prioritise such party in fulfilling its demands for products and services.
- (e) For each year, each party will provide the counterparty with an estimate of the demand for products and services required for the following year in advance.
- (f) It is anticipated that the Company and its subsidiaries will enter into individual supply or service agreements with other subsidiaries of CDC from time to time and as required. The Company reserves the right to make changes to the 2024 Comprehensive Product and Service Framework Agreement pursuant to listing rules of places where the Company is listed.

We have discussed with the Company and consider that the above principles are fair and reasonable and will ensure that the Company will be able to achieve terms which are on normal commercial terms or better, as the terms and conditions, including price, for transactions under the 2024 Comprehensive Product and Service Framework Agreement must be similar to or more favourable than the terms and conditions from an Independent Third Party.

D. Historical Transaction Amounts of the Non-exempt CCTs under the 2021 Comprehensive Product and Service Framework Agreement

The historical transaction amounts for the Non-exempt CCTs under the 2021 Comprehensive Product and Service Framework Agreement for the two years ended 31 December 2022 and 2023, and the seven months ended 31 July 2024, the historical annual caps for the two years ended 31 December 2023 and the year ending 31 December 2024, and the historical utilisation rates for the two years ended 31 December 2023 and the annualized historical utilization rates for the seven months ended 31 July 2024, are set out as follows:

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1. Products and services provided by CDC Group to the Group

No.	Transactions	Actual amount for	Actual amount for	Actual amount	Annual cap for the	Annual cap for the	Annual cap for the
		the year ended	the year ended	for the seven	year ended	year ended	year ending
		31 December 2022	31 December 2023	months ended	31 December 2022	31 December 2023	31 December 2024
		RMB '00 million	RMB '00 million	31 July 2024	(Historical	(Historical	(Annualised historical
				RMB '00 million	utilisation rate for	utilisation rate for	utilisation rate for the
					the year ended	the year ended	seven months ended
					31 December 2022)	31 December 2023)	31 July 2024)
					RMB '00 million	RMB '00 million	RMB '00 million
		A	B	C	D	E	F
					(A/D * 100%)	(B/E * 100%)	((C * 127)/F * 100%)
1	Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services	53.86	69.97	47.64	170 (31.68%)	285 (24.55%)	235 (34.75%)
2	Coal Supply	136.92	173.17	97.08	485 (28.23%)	485 (35.71%)	485 (34.31%)
3	Sale of Electricity (including Water, Gas and Other Resources) and Services	0.49	1.24	0.96	6.50 (7.54%)	6.5 (19.08%)	6.5 (25.32%)
4	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	25.41	28.25	14.58	35 (72.60%)	35 (80.71%)	35 (71.41%)

2. Products and services provided by the Group to CDC Group

No.	Transactions	Actual amount for	Actual amount for	Actual amount	Annual cap for the	Annual cap for the	Annual cap for the
		the year ended	the year ended	for the seven	year ended	year ended	year ending
		31 December 2022	31 December 2023	months ended	31 December 2022	31 December 2023	31 December 2024
		RMB '00 million	RMB '00 million	31 July 2024	(Historical	(Historical	(Annualised historical
				RMB '00 million	utilisation rate for	utilisation rate for	utilisation rate for the
					the year ended	the year ended	seven months ended
					31 December 2022)	31 December 2023)	31 July 2024)
					RMB '00 million	RMB '00 million	RMB '00 million
		A	B	C	D	E	F
					(A/D * 100%)	(B/E * 100%)	((C * 127)/F * 100%)
1	Sale of Electricity (including Water, Gas and Other Resources) and Services	0.08	0.08	-	12.5 (0.64%)	12.5 (0.64%)	12.5 (0%)

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We have discussed with the Company and understand that the relatively lower utilization rates of annual caps in respect of certain transactions mentioned above, for the two years ended 31 December 2023, are mainly due to the following factors:

For the Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services provided by CDC Group to the Group, as affected by factors such as the overall demand or project progress of certain production and infrastructure projects falling short of expectations in the past, the procurement plan was not implemented in full as planned, and the actual transaction amounts did not meet the expectations. We have discussed with the Company and confirm that the delayed project progress was the main reason for the lower actual transaction amounts which accounted for the majority of the shortfall.

For the Coal Supply provided by CDC Group to the Group and the Coal Supply and Coal Transportation provided by the Group to CDC Group, due to the vigorous promotion of the “dual carbon” goals in recent years, new energy power generation seized the market of thermal power generation, limiting the space for coal-fired units power generation and resulting in a lower-than-expected coal procurement. Meanwhile, in recent years, affected by the continuing downward fluctuation of coal prices, Datang International (Hong Kong) Limited, which is a connected subsidiary of the Company and serves as (“**Hong Kong Company**”) the overseas imported coal procurement platform, does not have sufficient price advantage as compared to domestic coal prices, leading to a significant decrease in coal procurement by the Group and CDC Group from Hong Kong Company. We have discussed with the Company and confirm that the lower-than-expected coal procurement due to lower demand for coal-fired units power generation and the Hong Kong Company not being able to offer sufficient price advantage were the two main reasons for the lower actual transaction amounts which together, accounted for the majority of the shortfall.

In addition, we have reviewed the white paper published by The State Council Information Office of The People’s Republic of China, the Chinese Government, in August 2024, titled “China’s Energy Transition” (http://english.scio.gov.cn/whitepapers/2024-08/29/content_117394384_2.htm) (the “**China’s Energy Transition White Paper**”), which is consistent with our understanding from the Company that new energy power generation has led to lower-than-expected demand for coal-fired units power generation in recent years. According to the China’s Energy Transition White Paper, we note under the heading of “Fast-tracking clean energy development” that, “in 2023, the share of clean energy consumption reached 26.4 percent of China’s total energy use, up 10.9 percentage points from 2013. In the same period, the share of coal consumption dropped by 12.1 percentage points”, which align with the reasons provided by the Company relating to lower-than-expected coal procurement.

For the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by CDC Group to the Group and the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by the Group to CDC Group, in recent years, the electricity spot market widely developed across the country, and the actual business amount of certain enterprises was less than expected as affected by the factors such as the regional spot market rules, and the reduced electricity demand of transmission channels and receiving provinces due

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to natural factors. We have discussed with the Company and confirm that the effects of the electricity spot market were the main reason for the lower actual transaction amounts which accounted for the majority of the shortfall.

We note from the table above that the utilisation rates of the franchising fee in respect of flue gas environmental protection facilities franchising provided by CDC Group to the Group were relatively high, reaching approximately 72.60%, 80.71% and 71.41% for the two years ended 31 December 2023 and the seven months ended 31 July 2024 (annualised) respectively. On the other hand, the utilisation rates for (i) procurement of production and infrastructure materials and relevant auxiliary services, (ii) coal supply, (iii) sale of electricity (including water, gas and other resources) and services provided by CDC Group to the Group, and (iv) sale of electricity (including water, gas and other resources) and services provided by the Group to CDC Group were relatively low, at (a) approximately 31.68%, 28.23%, 7.54% and 0.64% for the year ended 31 December 2022, (b) approximately 24.55%, 35.71%, 19.08% and 0.64% for the year ended 31 December 2023, and (c) approximately 34.75%, 34.31%, 25.32% and 0% for the seven months ended 31 July 2024 (annualised), respectively.

As a result of the low utilisation rate for coal supply provided by CDC Group to the Group, the proposed annual caps for the three years ending 31 December 2027 have therefore been reduced significantly as explained in the section headed “E. Proposed Annual Caps of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement” below.

We have discussed with the Company in respect of the above relatively low utilisation rates in respect of the procurement of production and infrastructure materials and relevant auxiliary services, coal supply, sale of electricity (including water, gas and other resources) and services provided by CDC Group to the Group and sale of electricity (including water, gas and other resources) and services provided by the Group to CDC Group respectively and understand that it is mainly due to some of the Group’s production and infrastructure procurement plans were not fully implemented as previously expected, and the actual quantities of coal procurement were less than projected which was attributable to lower-than-expected coal price levels, all leading to the relatively low historical transaction amounts incurred.

The Board confirmed that as of the Latest Practicable Date, the current annual caps for the year ending 31 December 2024 for products and services provided by CDC Group to the Group as well as products and services provided by the Group to CDC Group under the 2024 Comprehensive Product and Service Framework Agreement have not been exceeded.

E. Proposed Annual Caps of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement

The proposed annual caps for the transaction amounts of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement for the three years ending 31 December 2025, 31 December 2026 and 31 December 2027 are set out as follows:

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1. *Products and services to be provided by CDC Group to the Group*

No.	Transaction	Annual cap for the	Annual cap for the	Annual cap for the
		year ending	year ending	year ending
		31 December 2025	31 December 2026	31 December 2027
		(Year-on-year	(Year-on-year	(Year-on-year
		increase/decrease %)	increase/decrease %)	increase/decrease %)
		RMB '00 million	RMB '00 million	RMB '00 million
1	Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services	245 (4.26%)	245 (0%)	235 (-4.08%)
2	Coal Supply	240 (-50.52%)	245 (2.08%)	308 (25.71%)
3	Sale of Electricity (including Water, Gas and Other Resources) and Services	50 (669.23%)	50 (0%)	55 (10.00%)
4	Franchising fee in respect of Flue Gas Environmental Protection Facilities Franchising	35 (0%)	35 (0%)	40 (14.29%)

2. *Products and services to be provided by the Group to CDC Group*

No.	Transaction	Annual cap for the	Annual cap for the	Annual cap for the
		year ending	year ending	year ending
		31 December 2025	31 December 2026	31 December 2027
		(Year-on-year	(Year-on-year	(Year-on-year
		increase/decrease %)	increase/decrease %)	increase/decrease %)
		RMB '00 million	RMB '00 million	RMB '00 million
1	Sale of Electricity (including Water, Gas and Other Resources) and Services	25 (100%)	25 (0%)	25 (0%)

According to the Letter from the Board, with respect to the Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services provided by CDC Group to the Group, in 2023, the Company adhered to implement the requirements of “dual carbon” goals, promoted the green and low-carbon transformation, and accelerated the power generation structural adjustment, and the development pace of new energy sped up significantly. In 2023, the Company had 184 power projects approved with an approved capacity of 12,782.43 MW, including 4,000 MW of thermal power coal-fired projects, 1,076 MW of thermal power gas-fired projects, 2,217.3 MW of wind power projects and 5,489.13 MW of photovoltaic projects; the installed capacity of the power projects under construction was 9,964.65 MW, including 4,670.12 MW of thermal power projects, 3,047.65 MW of wind power projects and 2,146.88 MW of photovoltaic projects. In the first half of 2024, the Company adhered to seize the opportunity of transformation and development, vigorously developed strategic emerging industries mainly based on new energy, accelerated the acquisition of resources for large-scale and high-quality new energy projects, promoted the iterative development of new generation

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coal-fired power projects in a selective and echelon manner, further enhanced the capacity of supply guarantee for the capital, and accelerated the transformation and upgrading of the Company's traditional industries. In the first half of 2024, the Company had 122 power projects approved with an approved capacity of 4,714.985 MW, including 1,109.3 MW of wind power projects and 3,605.685 MW of photovoltaic projects; the capacity of the power projects under construction of the Company was 11,869.15 MW, including 5,746.12 MW of thermal power projects, 3,457.65 MW of wind power projects and 2,665.38 MW of photovoltaic projects. Therefore, based on the continuous expansion of new energy and coal-fired power project development, the Company determined the above proposed annual caps according to the expected demand for corresponding increase in materials and equipment of thermal power, wind power and photovoltaic. The slight decrease in the proposed annual cap for the year ending 31 December 2027 compared with the previous two years is due to the estimated schedule of the obtaining of the project approvals, the development of projects under construction and the procurement plan of production and infrastructure materials.

As mentioned above, we have reviewed the China's Energy Transition White Paper and confirm that the industry trends are consistent with the Company's expected growth in new energy projects in the coming three years. We note under the heading of "Realizing a boom in wind and solar photovoltaic ("PV") power" that, "China has abundant wind and solar resources, making them the predominant sources of clean energy generation in the country. Construction has been advanced in steps on large-scale wind and PV power bases centered around the Kubuqi, Ulan Buh, Tengger, and Badain Jaran deserts, expected to reach a total installed capacity of 450 GW. China has seen large-scale and cluster development of offshore wind farms, with a cumulative installed capacity of 37,280 MW. Distributed new energy production has also made rapid progress. Wind and PV energy projects have been piloted in rural areas featuring the "PV plus agriculture" models, including agrivoltaic farming, fishery-solar hybrid systems, and animal husbandry-solar solutions, which has opened up broad spaces for new energy production. By the end of 2023, China's cumulative installed capacities of wind and PV power stood at 441 GW and 609 GW, an elevenfold increase over the past decade. The installed capacity of distributed PV power exceeded 250 GW, accounting for more than 40 percent of the total installed capacity of PV power." As the number of new energy projects of the Company under construction aligns with the trends of rapid transition to new energy in China, we consider that the proposed annual caps for the Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services for the three years ending 31 December 2027 are therefore fair and reasonable, despite the relatively low annualised utilisation rate of 34.75% for the seven months ended 31 July 2024.

We note from the table above that the proposed annual caps for the procurement of production and infrastructure materials and relevant auxiliary services is RMB24,500 million for the two years ending 31 December 2026, which represents a slight increase of approximately 4.26% from the annual cap for the year ending 31 December 2024, and will decrease by 4.08% to RMB23,500 million for the year ending 31 December 2027. In addition to the reasons for the proposed annual caps set out above, we have discussed with the Company and understand that the slight increase for the two years ending 31 December 2026 and slight decrease for the year

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ending 31 December 2027, despite the relatively low utilisation rate for the year ended 31 December 2023 of 24.55%, is due to the expected timing of the projects obtaining approval and projects under construction.

With respect to the Coal Supply provided by CDC Group to the Group, due to the relatively low utilization rate of annual cap for the year ended 31 December 2023 being 35.71%, the Company has significantly lowered and determined the above proposed annual caps. The annual caps for the three years ending 31 December 2027 are RMB24 billion, RMB24.5 billion and RMB30.8 billion, respectively, showing a year-on-year increasing trend. This is due to the expected increase in coal supply, as a result of the impact of the “dual carbon” policy on coal prices, and the expected increase in the Company’s operating scale taking into account the Company’s new production plan for 2025 to 2027. We consider that it is fair and reasonable to lower the proposed annual caps for Coal Supply for the year ending 31 December 2025 due to the relatively low annualised utilisation rate of 34.31% for the seven months ended 31 July 2024.

We note from the table above that the annual caps proposed for the year ending 31 December 2025 for Coal Supply to be provided by CDC Group to the Group represents a decrease of 50.52% to RMB24,000 million from the historical annual cap of RMB48,500 million for the year ending 31 December 2024 due to the relatively low utilisation rates of 35.71% for the year ended 31 December 2023 and 34.31% for the seven months ended 31 July 2024. We have discussed with the Company and understand that the reasons for the proposed caps for Coal Supply increasing gradually to RMB24,500 million for the year ending 31 December 2026 and further increasing to RMB30,800 million for the year ending 31 December 2027, are mainly due to the expected increase in the demand for coal supply resulting from the impact on coal prices by the “dual carbon” policy and the expected increase in the scale of operations of the Company considering the Group’s new production plans for 2025-2027.

We have reviewed the China’s Energy Transition White Paper and confirm that China’s plan to make more efficient use of traditional energy is consistent with the Company’s expectation of rising demand for coal supply in the coming three years. We note under the heading of “Coordinating the development of Traditional Energy and New Energy” that, “China has been transforming traditional energy industries into integrated energy systems. It has taken steps to implement wind-solar-hydro (plus storage) and wind-solar-coal (plus storage) hybrid systems in resource-rich areas. New energy power generation projects have been built in places such as coal mine industrial sites, coal mining subsidence areas, idle spaces at power plants, and oil and gas mining areas”. Since there will be an expected increase in the demand for coal-based energy systems over time as China integrates the new energy with traditional energy systems as “hybrid” systems, we consider that the proposed annual caps for the Coal Supply increasing gradually to RMB24,500 million for the year ending 31 December 2026 and further increasing to RMB30,800 million for the year ending 31 December 2027 are therefore fair and reasonable.

With respect to the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by CDC Group to the Group, in recent years, electricity spot trading has been vigorously promoted in China. Multiple regional electricity spot markets have been

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launched, and many regions over the country have started both intra-provincial and inter-provincial electricity spot trading, with the trading volume continuously increasing. Based on the current national electricity trading situation and considering the expected growth of the Company's operational scale, it is expected that the trading scale in various regional electricity markets will gradually expand, leading to a continuous increase in the volume of market-based electricity trading. In light of the foregoing factors and in combination with the actual overall business scale and operation arrangements, it is expected that the cost of sale of electricity and relevant services provided by CDC Group to the Group from 2025 to 2027 will be approximately RMB3.5 billion per annum; and it is expected that the cost of carbon performance, carbon trading and relevant services provided by the subordinate carbon asset companies and relevant entities of CDC to the subordinate power generation companies of the Group from 2025 to 2027 will be approximately RMB1.5 billion per annum.

We have reviewed the China's Energy Transition White Paper and note under the heading of "Developing a unified national energy market" that, "China has accelerated progress on a unified national electricity market system that efficiently coordinates trade within and between provinces and regions and integrates medium- and long-term trade, spot trading, and trade in ancillary services. Trading centers for electricity, oil and gas, and coal have been established to create open and transparent energy trading platforms with complete functions. The share of market-traded electricity as part of the national total electricity consumption increased from 17 percent in 2016 to 61.4 percent in 2023".

With respect to the rapid development of electricity spot markets in China, we also note under the heading of "Faster Progress in Building a Unified National Electricity Market System" that: (i) "A multitiered electricity market system has taken shape: The development of provincial markets is advancing in China, with full coverage of medium- and long-term trade and trade in ancillary services. Electricity spot markets in Shanxi, Guangdong and Shandong provinces have commenced full operation, and those in Gansu and the western part of Inner Mongolia have successfully completed trial operations with long-cycle settlement. Other regions are currently exploring the formation of spot markets. Cross-provincial and cross-regional market-based trade is expanding. A regional electricity market in southern China is conducting trial operations with settlement"; and (ii) "Market coverage is expanding: Enterprises generating electricity from coal, natural gas, nuclear, and renewable energy sources participate in market trading in an orderly manner. Market entities have now expanded to include virtual power plants, independent power storage enterprises, and other novel entities. The number of entities registered with electricity trading institutions has grown from 42,000 in 2016 to 743,000 in 2023". As the share of market-traded electricity as part of the national total electricity consumption increased from 17 percent in 2016 to 61.4 percent in 2023 and the electricity spot market is a growing phenomenon in China for the coming years, accordingly, we consider the proposed annual caps for the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by CDC Group to the Group for the three years ending 31 December 2027 are therefore fair and reasonable.

We note from the table above that the estimates for the sale of electricity (including water, gas and other resources) and services to be provided by the CDC Group to the Group is expected to remain stable in the coming two years and the proposed annual caps are RMB5,000 million

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for each of the two years ending 31 December 2026, with a 10% year-on-year increment for the year ending 31 December 2027 to RMB5,500 million. Also, it is noted from the table above that the estimates for the sale of electricity (including water, gas and other resources) and services to be provided by the Group to CDC Group is expected to remain stable in the coming years and the proposed annual caps are RMB2,500 million for each of the three years ending 31 December 2027, with no proposed year-on-year increment. We have discussed with the Company and understand that the proposed annual caps for the sale of electricity (including water, gas and other resources) and services, by CDC Group to the Group and by the Group to CDC Group, are determined based on factors including the expected increases in purchasing and selling electricity by each regional company, carbon emission reduction resource trading and related service fees.

With respect to the Flue Gas Environmental Protection Facilities Franchising provided by CDC Group to the Group, the overall electricity consumption of the society is expected to increase, resulting in an increase in the power generation of the Company. On the premise that the unit price of franchise fee remains unchanged, the amount of franchise fee will increase along with the increase of the Company's power generation. Based on the above factors and the historical transaction amounts of the preceding three years, the Company determined the above proposed annual caps accordingly.

With respect to the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by the Group to CDC Group, as mentioned above, it is expected that the trading scale in various regional electricity markets will gradually expand, leading to a continuous increase in the volume of market-based electricity trading. In light of the foregoing factors and in combination with the actual overall business scale and operation arrangements, it is expected that the cost of sale of electricity and relevant services provided by the Group to CDC Group from 2025 to 2027 will be approximately RMB1.8 billion per annum; and it is expected that the cost of Carbon Emission Allowances (CEA) or China Certified Emission Reduction (CCER) sold by the subordinate power generation companies of the Company to the subordinate carbon asset companies of CDC from 2025 to 2027 will be approximately RMB0.7 billion per annum. As mentioned above, according to the China's Energy Transition White Paper, we understand that the share of market-traded electricity as part of the national total electricity consumption increased from 17 percent in 2016 to 61.4 percent in 2023 and the electricity spot market is a growing phenomenon in China for the coming years, and accordingly, we consider the proposed annual caps for the Sale of Electricity (including Water, Gas and Other Resources) and Services provided by the Group to CDC Group for the three years ending 31 December 2027 are therefore fair and reasonable.

We note from the table above that, in respect of the franchising fee for flue gas environmental protection facilities franchising, the proposed annual caps for each of the two years ending 31 December 2026 are expected to remain stable at RMB3,500 million respectively, with no proposed year-on-year increment. There is also no increment from the historical annual cap for the year ending 31 December 2024. The annual cap proposed for franchising fee in respect of flue gas environmental protection facilities franchising for the year ending 31 December 2027 represents a slight increase of 14.29% to RMB4,000 million. We have discussed with the Company and understand that the reason for keeping the annual cap for the year ending 31

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December 2025 at the same level as the previous year is due to the high utilisation rate of 80.71% for the year ended 31 December 2023 and the slight increase in the proposed annual cap for the year ending 31 December 2027 is due to the expected timing of the Company's projects under construction.

In summary, each of the above proposed annual caps for, inter alia, the Non-exempt CCTs, are determined by the Company after considering the following factors:

- (1) the expected increase in procurement of thermal power as well as wind power, photovoltaic and other new energy equipment. We note that the Company's newly approved projects and projects under construction increased significantly as explained in further detail below;
- (2) the expected increase in coal supply in the future as a result of the impact of the "dual carbon" goals on coal prices and the commissioning of new units;
- (3) the expected increase in the cost of sale of electricity, cost of sale of resources, carbon emission reduction resource trading and other related service fees based on the actual overall business scale and operational arrangements; and
- (4) the historical transaction amounts of the abovementioned products and services mutually provided between CDC Group and the Group in the preceding three years.

We have independently reviewed the respective annual and interim reports of the Company, which confirms the Company's reasons set out in paragraphs 1 to 3 above, and note that during the financial year ended 31 December 2023, the Company adhered to the implementation of the target requirements of "dual carbon", and promoted the green and low carbon transformation and accelerated power generation structure adjustment, and sped up the development of new energy significantly.

In particular, new units put into operation increased significantly. In 2023, the Company newly added generating units with 4,799.2MW of generation capacity, including 577MW of thermal power and gas turbine, 2,047.5MW of wind power projects and 1,604.7MW of photovoltaic projects. During the year ended 31 December 2023, the Company newly added generating units with 4,799.2MW of generation capacity, including 577MW of thermal power and gas turbine, 2,047.5MW of wind power projects, 1,604.7MW of photovoltaic projects. Also, for the year ended 31 December 2023, the installed capacity of the power projects under construction of the Company was 9,964.65MW, including 4,670.12MW of thermal power projects under construction, 3,047.65MW of wind power projects under construction and 2,146.88MW of photovoltaic projects under construction.

In addition to the analysis of the historical transaction amounts above, we have discussed with the Company and confirm that the main underlying reasons for the proposed annual caps (for the products and services provided by CDC to the Company and vice versa) as set out above

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are necessitated by the expected increase in turnover and scale of business as a result of the above ongoing expansions in the development of new energy projects and the newly approved projects of the Group.

Also, we have reviewed the Company's announcement dated 25 October 2024 regarding power generation for the first three quarters of 2024 (the "**Announcement of On-Grid Power Generation for 3Q 2024**"), and note that, based on the Company's preliminary statistics as of 30 September 2024, the total on-grid power generation amounted to approximately 202.1186 billion kWh, representing an increase of approximately 4.10% on a year-on-year basis.

It was also mentioned in the Announcement of On-Grid Power Generation for 3Q 2024 that the major reasons for the increase in on-grid power generation of the Company was due to the following major reasons:

1. Affected by the year-on-year increase in the electricity demand of the whole society and the high temperature, the on-grid power generation of thermal power of the Company in the first three quarters recorded a year-on-year increase;
2. In the first three quarters of 2024, due to more abundant water inflow in the hydropower regions of the Company as compared to the same period in the previous year, the on-grid power generation of hydropower recorded a significant year-on-year increase. We note that, as a result, the on-grid power generation in the first three quarters of 2024 for hydropower was 25.6655 billion kWh, representing a year-on-year increase of 17.70%; and
3. The new energy installed capacity of the Company continued to increase, the on-grid power generation of wind power and photovoltaic power units recorded a rapid growth, and the on-grid power generation of the new energy units of the Company recorded a relatively higher increase in the first three quarters. We note that, as a result, the on-grid power generation in the first three quarters of 2024 for wind power and photovoltaic power was 11.9694 billion kWh and 4.3642 billion kWh respectively, representing a significant year-on-year increase of 20.81% and 48.04% respectively.

As of 30 September 2024, the average on-grid tariff of the Company was RMB449.6 per MWh (tax inclusive), representing a year-on-year decrease of approximately 3.98%. In the first three quarters of 2024, the market-based transaction volume of electricity of the Company was approximately 187.737 billion kWh, accounting for approximately 92.88% of the total.

Given that there will be substantial increase in the level of total on-grid power generation as stated above, we consider that it is fair and reasonable for the annual caps to be set at the respective amounts as stated above in order to cater to the increasing turnover driven by an expected increase in the volume of transactions of the Company.

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After considering the above factors, we are of the opinion that the proposed annual caps of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement for the three years ending 31 December 2027 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

F. Internal Controls

Internal Control Policy to Monitor Connected Transactions

In respect of the Company's internal control policies to monitor the annual caps of 2024 Comprehensive Product and Service Framework Agreement, according to the requirements of management system of the connected transactions of the Company, relevant specialized departments of the Company, such as the fuel management department, the supply chain management department, the engineering construction department, the marketing department, the production and environmental protection department and other departments (*Please see Note 5 for details*), are responsible for tracing and monitoring the implementation of connected transactions within their respective scope of business management. During this process, the relevant specialized departments of the Company are responsible for information collection and price monitoring of connected transactions and assessing the fairness and reasonableness of the terms of the transactions (including the pricing terms) to ensure that the terms of the relevant transactions (including the pricing terms) are on normal commercial terms, fair and reasonable, and no less favourable than those available to or from the Independent Third Parties, with the relevant pricing policies.

In particular, in order to ensure that the pricing terms of the relevant connected transactions are fair and reasonable and comply with the pricing policy under the 2024 Comprehensive Product and Service Framework Agreement, the relevant specialized departments of the Company shall exercise supervisory functions and implement the following internal procedures in respect of the pricing of connected transactions: (a) where the government-prescribed price or government-guided price is applicable, they shall visit the official websites of the relevant governmental authorities to obtain the prescribed price or guided price issued from time to time and review the pricing of the transactions accordingly; (b) where the market price, that is the price of the same or similar products or services provided by an Independent Third Party, is applicable, they shall actively obtain market price information through various channels, such as by making reference to at least two comparable transactions with Independent Third Parties for the same period, or conducting market price surveys through various independent providers of industry information including industry websites, so as to assess whether the pricing of such transactions is not less favorable than the prices offered by Independent Third Parties in the market; (c) where the tender and bidding price is applicable, they shall supervise the tendering procedures stipulated in the relevant PRC laws and regulations or the procurement procedures such as negotiations, inquiries and comparisons as stipulated in the Company's procurement management rules; and (d) where an agreed price is applicable, they shall assess the pricing of the transactions by verifying reasonable costs through comparison of comparable average costs of similar enterprises in the neighboring region or costs of similar products.

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Note 5:

The specific division in respect of the implementation of internal control measures for various products and services for the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement by the relevant specialized departments of the Company is as follows:

The supply chain management department is responsible for Procurement of Production and Infrastructure Materials and Relevant Auxiliary Services; the fuel management department is responsible for Coal Supply and Coal Transportation; the production and environmental protection department is responsible for (i) Technological Transformation, Operation Management and Repair and Maintenance, (ii) Technical Supervision and Technical Services, (iii) Research and Development in Technological Projects, and (iv) Information System Development; the engineering construction department is responsible for Infrastructure EPC Contracting; the marketing department is responsible for (i) Sale of Electricity (including Water, Gas and Other Resources) and Services, (ii) Alternative Power Generation, and (iii) franchising fee and water, electricity and gas costs in respect of the Flue Gas Environmental Protection Facilities Franchising; and the general office is responsible for Property Management and Other Logistical Services.

In addition, the relevant specialized departments of the Company establish management accounts for connected transactions, designate specialists for management and maintenance and regularly consolidate the transaction amounts incurred in the connected transactions on a quarterly basis, to ensure that the actual amounts of the continuing connected transactions would not exceed the annual caps. In the event that the actual amount may exceed the annual cap, the Company will re-comply with the necessary approval procedures in respect of continuing connected transaction that is expected to exceed its annual cap.

Re-complying With the Listing Rules in Respect of Revision of Annual Caps

If it is anticipated that any of the annual caps in respect of the 2024 Comprehensive Product and Service Framework Agreement will be exceeded during the term of the 2024 Comprehensive Product and Service Framework Agreement, the Company will re-comply with the applicable compliance obligations under Chapter 14A of the Listing Rules based on the threshold of the applicable percentage ratios in respect of each of the revised annual cap for the respective sixteen categories in respect of provision of products and services under the 2024 Comprehensive Product and Service Framework Agreement.

Annual Review of Continuing Connected Transactions by External Auditors

The external auditors of the Company will issue a letter to the Board regarding the continuing connected transactions of the Company annually pursuant to the Listing Rules, reporting on the Company's pricing policies and annual caps of continuing connected transactions conducted during the previous financial year (including the transactions contemplated under the 2024 Comprehensive Product and Service Framework Agreement).

Annual Review of Continuing Connected Transactions by Independent Non-executive Directors

The independent non-executive Directors of the Company will conduct an annual review on the continuing connected transactions conducted by the Company throughout the previous financial year in accordance with the requirements of the Listing Rules, and confirm the transaction amount and

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terms of the continuing connected transactions in the Company's annual report, and make sure that these transactions are entered into on normal commercial terms, are fair and reasonable, and are conducted in accordance with the relevant terms of the agreement governing continuing connected transactions.

We have reviewed two samples of the meeting notes or reports of the specialized departments of the Company, which recorded the recent market trends of the relevant transactions, the sales and purchasing strategies (including the transaction amounts) for the year, as well as the basis of the price determination of such transactions. After performing the above review and considering the substance of such documents, we confirm that the specialized departments of the Company have been closely monitoring the annual caps as well as the terms of the Non-exempt CCTs in accordance with the Company's internal control policies to ensure they are no less favourable to the Company than terms available to or from an Independent Third Party. The sample meeting notes have been randomly selected by the Company for our review and there is no reason for us to believe that the Company has not monitored the transactions according to its internal control policies as set out above.

Also, we have reviewed the latest letter issued by the external auditor of the Company to the Board to report on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions of the Company conducted during the preceding financial year pursuant to the Listing Rules. Accordingly, we consider that, based on the above independent work performed by us, the internal control procedures of the Company set out above have been properly followed to ensure that the continuing connected transactions are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its Independent Shareholders as a whole, and that there are effective safeguards in place to ensure that the proposed annual caps will not be exceeded.

In addition, we have discussed with the Company about the price control procedures and have reviewed the sample documents of market information which the Company had collected and analysed from time to time as reference for the price control procedures, including research reports from independent coal market research providers and relevant trading regulations of different trading platforms in relation to sale of electricity, which provided up-to-date market trends on the coal market and its historical price analysis. After performing such reviews, we consider that the price control procedures will enable the Company to compare terms from service providers with market prices and trends and effectively ensure the terms from the service providers are on normal commercial terms or better and on the basis of arm's length negotiations according to the prevailing market conditions.

After considering the above factors, we are of the opinion that the Non-exempt CCTs are conducted on normal commercial terms or better and not prejudicial to the interests of the Company and the Independent Shareholders.

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G. Reasons for and Benefits of entering into the 2024 Comprehensive Product and Service Framework Agreement

As mentioned in the Letter from the Board, the Company is of the view that the entering into of the 2024 Comprehensive Product and Service Framework Agreement with CDC can ensure that the Company is able to obtain reliable and guaranteed comprehensive products and services, such as coal, materials and services, thereby reducing its operational risks and costs and enhancing work efficiency, which are all beneficial to the normal development of the Company's production and operations.

We have also reviewed the Company's announcement dated 22 August 2024 and the Company's board meeting record and confirm that at the 21st meeting of the eleventh session of the Company, the Board has confirmed that the related party transactions of the Company occurred in the first half of 2024 are transactions conducted in the ordinary course of business of the Company and on normal commercial terms, and the relevant transactions are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

In respect of the Non-exempt CCTs contemplated under the 2024 Comprehensive Product and Service Framework Agreement only, the Directors (including the independent non-executive Directors whose views are set out in this Circular upon receiving our recommendation) are of the view that such transactions are on normal commercial terms and in the ordinary course of business of the Company and such transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

We agree that the pricing policy and the principles of transactions contemplated under the 2024 Comprehensive Product and Service Framework Agreement set out above will ensure that the terms and conditions for the Non-exempt CCTs will be conducted on normal commercial terms or better and hence will be in the interests of the Company and its Shareholders, including the Independent Shareholders, as a whole.

RECOMMENDATION

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

- (1) the principal businesses of the Company and CDC;
- (2) the pricing policy for determination of the consideration and the principles of transactions of the Non-exempt CCTs, which ensure that the price of products and services, and other terms and conditions, from or to CDC Group shall be on normal commercial terms or better and will be similar to or more favourable to the Group than that from an Independent Third Party;
- (3) the historical transaction amounts and underlying reasons for the basis of the proposed annual caps of the Non-exempt CCTs;
- (4) the latest operation statistics disclosed in the Announcement of On-Grid Power Generation for 3Q 2024;

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- (5) the fact that CDC Group has the experience of providing reliable comprehensive products and services to the Group; and
- (6) the fact that the Group will benefit from reduction in operating risks and costs and improvement of work efficiency of the Group,

we are of the opinion that the terms and the proposed annual caps of the Non-exempt CCTs are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and the Non-exempt CCTs are in the ordinary and usual course of business of the Group, and the entering into of the Non-exempt CCTs under the 2024 Comprehensive Product and Service Framework Agreement 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(s) to approve the Non-exempt CCTs contemplated under the 2024 Comprehensive Product and Service Framework Agreement at the EGM.

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interest of Directors, supervisors and chief executive of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors, supervisors and chief executive of the Company, none of the Directors, supervisors or chief executive of the Company have any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which was required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director, supervisor or chief executive is taken or deemed to have under such provisions of the SFO); (ii) to be entered into the register required to be kept by the Company under section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

Interest of substantial shareholders of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors, supervisors and chief executive of the Company, the following persons (other than the Directors, supervisors and chief executive of the Company) 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 registered in the register required to be kept pursuant to Section 336 of the SFO:

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
CDC (Note 1)	A shares	Beneficial owner	6,540,706,520	35.34	52.76	/
	A shares	Interest of controlled corporation	4,538,600	0.02	0.04	/

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares Held	Approximate Percentage to Total Issued Share Capital of the Company (%)	Approximate Percentage to Total Issued A Shares of the Company (%)	Approximate Percentage to Total Issued H Shares of the Company (%)
	H shares	Interest of controlled corporation	3,275,623,820 (L)	17.70 (L)	/	53.61 (L)
Hebei Construction & Investment Group Co., Ltd. (Note 2)	A shares	Beneficial owner	1,281,872,927	6.93	10.34	/
Tianjin Jinneng Investment Co., Ltd. (Note 3)	A shares	Beneficial owner	1,214,966,500	6.57	9.80	/

(L) = Long Position

Notes:

- (1) Mr. Tian Dan and Mr. Ma Jixian, non-executive Directors, are employees of CDC.
- (2) Mr. Wang Jianfeng and Mr. Zhao Xianguo, non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd. or its subsidiaries.
- (3) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Co., Ltd.

As at the Latest Practicable Date, save as disclosed above and to the best knowledge of the Directors, supervisors and chief executive of the Company, (i) no person had any interest or short position 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 registered in the register required to be kept pursuant to Section 336 of the SFO; and (ii) none of the Directors or proposed 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.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

4. INTEREST IN ASSETS OR CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company had any direct or indirect interest in any assets which had been, since 31 December 2023 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors or supervisors of the Company was materially interested in any contracts or arrangements entered into by any member of the Group, which were subsisting as at the Latest Practicable Date and which were significant in relation to the business of the Group.

5. MATERIAL CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up, and including the Latest Practicable Date.

6. COMPETING INTEREST

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

7. EXPERT AND CONSENT

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

Name	Qualification
Trinity Corporate Finance Limited	a licensed corporation under the SFO permitted to conduct type 6 (advising on corporate finance) regulated activities for the purposes of the SFO

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

As at the Latest Practicable Date, the above expert:

- (a) did not have any shareholding, direct or indirect, in any members of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Group were made up); and
- (c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.

8. LITIGATION

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

9. MISCELLANEOUS

- (a) The registered office of the Company is No. 9 Guangningbo Street, Xicheng District, Beijing, the PRC.
- (b) The principal place of business of the Company in Hong Kong is at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong.
- (c) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The joint company secretaries of the Company are Mr. Sun Yanwen and Mr. Yim Lok Kwan. Mr. Yim Lok Kwan is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published at the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.dtpower.com>) for 14 days from the date of this circular:

- (a) the 2024 Comprehensive Product and Service Framework Agreement;
- (b) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the full text of which is set out in this circular;
- (c) the written consent referred to in the section headed “Expert and Consent” in this appendix.