THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

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

(Stock Code: 01798)

(1) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF CDC FINANCE LEASE FRAMEWORK AGREEMENT
(2) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF SHANGHAI FINANCE LEASE FRAMEWORK AGREEMENT
(3) ISSUE OF CORPORATE BONDS IN THE PRC AND REVISED NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2017

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

Gram Capital Limited
嘉林資本有限公司

A letter from the Board is set out on pages 1 to 27 of this circular. A letter from the Independent Board Committee is set out on page 28 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 29 to 43 of this circular.

The Company will convene the second extraordinary general meeting in 2017 at 10:00 a.m. on Wednesday, 22 November 2017 at Room 501, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, PRC. The revised notice of the EGM is set out on pages 54 to 55 of this circular.

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

A reply slip and a form of proxy for use in connection with the EGM are enclosed herewith. If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to (for holders of H Shares) Computershare Hong Kong Investor Services Limited or (for holders of Domestic Shares) to the Company's head office in the PRC on or before Thursday, 2 November 2017.

24 October 2017

* *For identification purpose only*

CONTENTS

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

"Articles"	the articles of association of the Company (as amended, modified or otherwise supplemented from time to time)
"associate(s)"	has the meaning ascribed under the Listing Rules
"Board"	the board of directors of the Company
"CDC"	China Datang Corporation* (中國大唐集團公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
"CDC Group"	CDC and its subsidiaries, excluding the Group
"Company"	China Datang Corporation Renewable Power Co., Limited* (中國大唐集團新能源股份有限公司), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Stock Exchange (stock code: 01798)
"connected person(s)"	has the meaning ascribed under the Listing Rules
"continuing connected transaction(s)"	has the meaning ascribed under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed under the Listing Rules
"Datang Jilin"	Datang Jilin Power Generation Company Limited* (大唐吉林發電有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CDC
"DFL"	Datang Finance Leasing Co., Ltd.* (大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of CDC
"Director(s)"	the director(s) of the Company

"Domestic Share(s)"	the ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for and credited as fully paid in RMB by PRC citizens and/or PRC incorporated entities
"EGM"	the second extraordinary general meeting in 2017 to be held by the Company at Room 501, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC at 10:00 a.m. on Wednesday, 22 November 2017
"Finance Lease"	the provision of finance lease on any Leasing Equipment by DFL to any member of the Group pursuant to the New CDC Finance Lease Framework Agreement or by Shanghai Leasing Company to the Company pursuant to the New Shanghai Finance Lease Framework Agreement and such other related services as may be agreed between DFL or Shanghai Leasing Company and any member of the Group or the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	the overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange (stock code: 01798)
"Hong Kong" or "HK"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee comprised of Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun, all being independent non-executive Directors
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement and their Finance Lease contemplated thereunder

"Independent Shareholders"	the Shareholders who are not required to abstain from voting at the EGM or any adjourned meeting thereof for the relevant resolutions in relation to the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement
"Latest Practicable Date"	19 October 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Leasing Equipment"	any turbine, machinery, equipment or other property to be leased to the members of the Group or the Company by DFL or Shanghai Leasing Company or to be sold by the members of the Group or the Company to, and then leased back from DFL or Shanghai Leasing Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"major transaction(s)"	has the meaning ascribed under the Listing Rules
"New CDC Finance Lease Framework Agreement"	the new CDC finance lease framework agreement entered into by the Company and DFL on 29 September 2017 in relation to the provision of Finance Lease
"New Shanghai Finance Lease Framework Agreement"	the new Shanghai finance lease framework agreement entered into by the Company and Shanghai Leasing Company on 29 September 2017 in relation to the provision of Finance Lease
"PBOC"	People's Bank of China (中國人民銀行), the central bank of China
"PRC"	the People's Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan for the purpose of this circular
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Shanghai Leasing Company"	Shanghai Datang Finance Leasing Co., Ltd.* (上海大唐融資租賃有限公司), a company incorporated in the PRC with limited liability and an indirectly-owned subsidiary of CDC
"Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of Share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed under the Listing Rules
"%"	per cent

* *For identification purpose only*

中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

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

(Stock Code: 01798)

Non-executive Directors:
Mr. Chen Feihu
Mr. Liu Guangming
Mr. Liang Yongpan
Mr. Liu Baojun

Executive Directors:
Mr. Zhou Kewen
Mr. Jiao Jianqing

Independent Non-executive Directors:
Mr. Liu Chaoan
Mr. Lo Mun Lam, Raymond
Mr. Yu Shunkun

Registered office in the PRC:
Room 149, Building 1
No. 3, Xijing Road
Badachu Hi-tech Zone
Shijingshan District
Beijing
PRC

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

Principal place of business in Hong Kong:
18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

24 October 2017

To the Shareholders

Dear Sir/Madam,

(1) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF CDC FINANCE LEASE FRAMEWORK AGREEMENT
(2) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION – RENEWAL OF SHANGHAI FINANCE LEASE FRAMEWORK AGREEMENT
(3) ISSUE OF CORPORATE BONDS IN THE PRC
AND
REVISED NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2017

INTRODUCTION

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

* *For identification purpose only*

I. Major transaction and continuing connected transaction – renewal of CDC finance lease framework agreement;

II. Major transaction and continuing connected transaction – renewal of Shanghai finance lease framework agreement; and

III. Issue of corporate bonds in the PRC.

I. Major Transaction and Continuing Connected Transaction – Renewal Of CDC Finance Lease Framework Agreement

Reference is made to the CDC finance lease framework agreement entered into between the Company and DFL on 9 May 2013, with a term of three years commencing from the date of the agreement, and its proposed annual cap of 2013 contemplated therein. On 27 March 2014, the Company and DFL determined the proposed annual cap of 2014 under the aforesaid CDC finance lease framework agreement. On 27 March 2015, the Company entered into the CDC finance lease framework agreement with DFL with a term commencing from the date of the agreement to 31 December 2017, and its proposed annual caps of 2015, 2016 and 2017 contemplated therein. Since the CDC finance lease framework agreement entered into between the Company and DFL on 27 March 2015 and the proposed annual caps thereof will expire on 31 December 2017, the Company and DFL entered into the New CDC Finance Lease Framework Agreement on 29 September 2017, with a term of three years commencing from 1 January 2018 to 31 December 2020, pursuant to which DFL agreed to provide members of the Group with Finance Lease and other relevant services at their reasonable requests in accordance with the terms and conditions under the New CDC Finance Lease Framework Agreement.

(I) Main Contents of the New CDC Finance Lease Framework Agreement

The major terms of the New CDC Finance Lease Framework Agreement are as follows:

Lessor	:	DFL
Lessee	:	Any member of the Group obtaining the Finance Lease
Date	:	29 September 2017
Duration	:	From 1 January 2018 to 31 December 2020

Nature of transaction	:	Provision of the Finance Lease services by DFL to members of the Group by way of lease or sale and lease-back upon reasonable requests. With respect to each Finance Lease, the relevant Lessor and Lessee will enter into separate written contract(s) subject to the provisions of the New CDC Finance Lease Framework Agreement.
Lease method	:	The lease method includes sale and lease-back, pursuant to which the Lessor shall purchase from the Lessee the Leasing Equipment which will be leased back to the Lessee by the Lessor; and direct Finance Lease arrangement involving leasing of Leasing Equipment newly acquired by the Lessor as per the specifications and requirements of the Lessee.
Lease period	:	The lease period for each Finance Lease will be determined by taking into account, inter alia, the useful life of the relevant Leasing Equipment *(Note 1)*, the financial needs of the Lessee and the funding availability of the Lessor, which in general shall not exceed the useful life of such Leasing Equipment.
Lease payments and interest rate	:	The lease payments charged by the Lessor will include the purchase price (in the case of direct leasing) or the value (in the case of sale and lease-back) of the Leasing Equipment *(Note 2)* and interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark lending rates published by PBOC from time to time *(Notes 3 and 5)*, or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services*(Note 7)*.
Handling fee	:	A one-off non-refundable handling fee may be charged by the Lessor on terms no less favourable to the Lessee than those offered by independent third parties when separate written contract(s) under the New CDC Finance Lease Framework Agreement is entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant written contract(s) *(Notes 4, 5 and 7)*.

Ownership : The legal title and all rights to the Leasing Equipment shall be vested in the Lessor throughout the lease period.

Purchase option : In respect of the sale and lease-back arrangement, subject to the Lessee having performed all its obligations under, and upon the expiry of the lease period of the separate written contract(s) under the New CDC Finance Lease Framework Agreement, the Lessee shall have an option to purchase the relevant Leasing Equipment at a nominal price *(Note 6)*.

Notes (which are for illustration purpose only and do not constitute part of the New CDC Finance Lease Framework Agreement):

1. The useful life of the Leasing Equipment will be assessed by reference to the Group's assets management policy, industry practice, the past experience in using the Leasing Equipment and information obtained from internal engineering department staff who has technical knowledge on the use of the Leasing Equipment.

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

   In respect of the Finance Lease involving direct leasing of Leasing Equipment newly acquired by the Lessor, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessor and the Lessee. The Lessor will also take into account other factors including the risk profile of the Lessee and the type of the Leasing Equipment in determining the appropriate lease amount.

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

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

3. The prevailing benchmark interest rates for RMB-denominated loans published by PBOC are as follows:

   - 4.35% for loans with terms not more than six months;
   - 4.35% for loans with terms over six months but not more than one year;
   - 4.75% for loans with terms over one year but not more than three years;
   - 4.75% for loans with terms over three years but not more than five years; and
   - 4.90% for loans with terms over five years.

4. There is currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the separate written contract(s) under the New CDC Finance Lease Framework Agreement, the Lessor and Lessee will determine the handling fee by reference to such rate, which will be given priority over the rates adopted by other major financial institutions, accordingly.

5. In determining the interest rate or amounts of the handling fee and purchase option, the Lessor will conduct an overall return assessment after considering, inter alia, the prevailing rates of PBOC or the major financial institutions, as the case may be, so as to meet its own return requirements and the credit risk assessment to the relevant Finance Lease. Therefore, the pricing with respect to such aspects of each Finance Lease will be determined on a case by case basis.

6. Since the Leasing Equipment has no residual value upon the expiry of the lease period, the Lessee intends to set the nominal price of the purchase option at RMB1.00.

7. The transaction amounts for Leasing Equipment under Finance Lease include lease payments, and the rents under Finance Lease include interest and handling fee.

(II) Historical Amounts

The table below sets out the annual caps for the three years ended/ending 31 December 2015, 2016 and 2017:

	Annual cap for the year ended 31 December 2015	Annual cap for the year ended 31 December 2016	Annual cap for the year ending 31 December 2017
Annual cap for Leasing Equipment under Finance Lease	RMB2,500 million	RMB3,500 million	RMB4,500 million
Annual cap for rents under Finance Lease	RMB150 million	RMB200 million	RMB250 million

The table below sets out the historical amounts for the three years ended 31 December 2014, 2015 and 2016:

	Historical amount for the year ended 31 December 2014	Historical amount for the year ended 31 December 2015	Historical amount for the year ended 31 December 2016	Historical amount for the eight months ended 31 August 2017
Actual amount for Leasing Equipment under Finance Lease	RMB1,413 million	RMB72 million	Nil	Nil
Actual rents under Finance Lease	RMB100 million	RMB96 million	Nil	Nil

(III) Proposed Annual Caps

The table below sets out the proposed annual caps for the three years ending 31 December 2018, 2019 and 2020:

	Proposed annual cap for the year ending 31 December 2018	Proposed annual cap for the year ending 31 December 2019	Proposed annual cap for the year ending 31 December 2020
Annual cap for Leasing Equipment under Finance Lease	RMB2,000 million	RMB3,000 million	RMB3,000 million
Annual cap for rents under Finance Lease	RMB100 million	RMB150 million	RMB150 million

(IV) Basis for Determination of the Annual Caps

In determining the abovementioned annual caps, we have considered, among others:

(1) historical amount for the three years ended 31 December 2014, 2015 and 2016 and the eight months ended 31 August 2017 as disclosed in the above section (II).

(2) current conditions in financing market (including interest level and the level of similar services provided by independent third parties) and the possibility of future adjustment on the three-year term annual loan interests denominated in RMB by PBOC:

For recent years, the benchmark lending rates published by PBOC constantly kept at a level of approximately 4.0%, and the Company registered and issued tranches of ultra-short-term debentures, short-term debentures and green corporate bonds to supplement its working capital and to purchase equipment for its normal business. However, the current benchmark lending rates have been raised up to approximately 4.8%, thus the cost for issue debentures or bonds is much higher than before. The transactions contemplated under the New CDC Finance Lease Framework Agreement may allow the Company to have a lower fee charge than those purchased by loans or provided by independent third parties.

(3) historical cash flow for the three years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017 as disclosed in the corresponding annual report and/or interim report of the Company:

The Group will be able to mitigate the pressure on the cash flow for the acquisition of assets by giving less preceded funds to purchase the required production equipment or assets. In the year of implementing finance lease, the cash flow of the Group was relatively normal, while the cash flow was relatively tight in the year of non-implementing finance lease. As a fund raising and financing instrument, finance lease will be propitious to further optimize the Company's financial structure and improve the current cash flow performance.

(4) constantly increasing financing needs and future development prospects of the Group:

The installed capacity of the Group maintained a high growth in recent years. As at 30 June 2017, the Group's consolidated installed capacity amounted to 8,497.92MW, representing an increase of 16.9% over the same period last year. In addition, as at 31 August 2017, the approved reserve capacity of the Group was 3,962.20MW, and such capacity will be converted into construction in progress in the future. After considering the current conditions in financing market as disclosed in Item (2), the Group has to acquire new wind turbines by way of finance lease and obtain lower interest rate so as to minimise the costs in the process of development of the Company. The Group expects to continue to invest in increasing its installed capacity and construction of wind farms. In determining the annual caps, the Company has taken into account that such expansion would lead to an increase of financing needs of the Group.

(5) the nature and value of Leasing Equipment:

The size of installed capacity of wind turbines of the Group is generally 50MW to 300MW and each of the project with an installed capacity of 50MW will need approximately RMB2 billion. The implied capacity put into production for each year is approximately 1,500MW, and thus is more than RMB10 billion. As the majority of the aforesaid total cost in Item (4) is incurred by purchasing of wind power equipment, i.e. the Leasing Equipment, the need for a higher annual cap for the transactions contemplated under the New CDC Finance Lease Framework Agreement is obvious.

(V) Reasons for and Benefits of the Transactions under the New CDC Finance Lease Framework Agreement

The transactions under the New CDC Finance Lease Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and the interest rates of bank financing stay high; and (2) facilitate the smooth development and operation of the Group's business.

The Directors (excluding connected Directors, but including the independent non-executive Directors) consider that it is beneficial to the Company to continue to enter into the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder as such transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Additionally, the Directors (excluding connected Directors, but including the independent non-executive Directors) believe that such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(VI) Listing Rules Implications

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

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

(VII) Internal Control Procedures and Corporate Governance Measures

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

(i) The New CDC Finance Lease Framework Agreement will be conducted on a non-exclusive basis;

(ii) Before entering into any separate leasing agreements with DFL, the Company will obtain quotations from at least three independent third parties who could provide the same or similar type of finance leasing services and negotiate with DFL on an arm's length basis in respect of the interest rate (including the handling fees) of the finance leasing services, and ensure that such interests (1) are not higher than the interests (including the handling fees and other fees) provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rates for RMB-denominated loans then published by PBOC for a similar term and in case of no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions for same or similar services. If the Company becomes aware that the interests charged by DFL are less favourable to the Company than those charged by any other independent third party on similar terms and conditions, the Company shall have the right to negotiate with DFL on an arm's length basis and DFL shall agree to adjust the interests of finance leasing services such that the interests charged under the New CDC Finance Lease Framework Agreement are not less favourable to the Company than those charged by any other independent third party for finance leasing services in the market;

(iii) Before entering into any separate finance leasing agreements with DFL, the legal department of the Company will review the separate leasing agreement to ensure the major terms are in compliance with the relevant terms of the New CDC Finance Lease Framework Agreement;

(iv) The financial management department of the Company has established relevant supervisory system, and the financial officer of any member of the Group who has entered into separate written contract(s) under the New CDC Finance Lease Framework Agreement will report the amount for Leasing Equipment under Finance Lease and the rents under Finance Lease to the financial management department of the Company on a daily basis and the financial management department of the Company will strictly control the balance caps, to ensure the relevant proposed annual caps will not be exceeded;

(v) The financial management department of the Company will prepare the monthly statement and analysis report, and report the specific financing situation of the current month to the management of the Company (including the general manager, the deputy general manager, the secretary to the Board, the chief accountant and the chief engineer) every month, including the analysis on the amount for Leasing Equipment under Finance Lease and the rents under Finance Lease under the New CDC Finance Lease Framework Agreement, as well as the financial costs saved due to the entering into of the New CDC Finance Lease Framework Agreement as compared to the Company's weighted average interest rate of loans of the current month. The Company's weighted average interest rate of loans of the current month mentioned above represents the weighted average interest rate of loans of various financings from various parties (including independent third parties and the connected/related parties of the Company) to be updated by the Company every month; and

(vi) The independent non-executive Directors of the Company will review the New CDC Finance Lease Framework Agreement and the continuing connected transactions contemplated thereunder and listen to the quarterly report by the secretary to the Board and chief accountant of the Company to ensure that the relevant agreements are entered into on normal commercial terms and are fair and reasonable and conducted in accordance with the terms set out therein. Furthermore, the auditors of the Company will perform annual reviews on the pricing and annual caps of such continuing connected transactions.

(VIII) Opinion of the Board

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

As Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun, being the Directors of the Company, are deemed to have material interests in the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder by virtue of their respective positions in CDC, they have abstained from voting on the resolution in relation to consideration and approval of the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder at the Board meeting. Saved as disclosed above, none of the Directors has any material interest in the transaction.

Since the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder are subject to the Independent Shareholders' approval, the Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the relevant transaction. Your attention is drawn to the Letter from the Independent Board Committee, which is set out on page 28 of this circular, and which contains their recommendations in respect of the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder.

Gram Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders of the Company on the same issue. The advice of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder is set out on pages 29 to 43 of this circular. The Independent Financial Adviser considers that the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

(IX) Approval by Independent Shareholders

In view of the material interests of CDC in the New CDC Finance Lease Framework Agreement and the transactions contemplated thereunder, CDC and its subsidiaries (holding an aggregate of approximately 65.61% of the issued share capital of the Company as at the Latest Practicable Date) and their respective associates are required to abstain from voting on the resolution to be proposed at the EGM to approve the transaction. As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed in this circular, no other Shareholders are required to abstain from voting on relevant resolutions.

(X) General Information

Information of the Company

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

Information on DFL

DFL is a limited liability company incorporated in the PRC in November 2012 and an indirectly wholly-owned subsidiary of CDC. DFL is principally engaged in financial leasing, purchase of leased property from domestic and overseas sellers, treatment of residual value of and maintenance of leased property, consultation on leasing transactions.

II. Major Transaction and Continuing Connected Transaction – Renewal of Shanghai Finance Lease Framework Agreement

Reference is made to the Shanghai finance lease framework agreement entered into between the Company and Shanghai Leasing Company on 12 October 2015, with a term commencing from 1 January 2016 to 31 December 2017, and its proposed annual caps of 2016 and 2017 contemplated therein. Since the Shanghai finance lease framework agreement and the proposed annual caps thereof will expire on 31 December 2017, the Company and Shanghai Leasing Company entered into the New Shanghai Finance Lease Framework Agreement on 29 September 2017, with a term of three years commencing from 1 January 2018 to 31 December 2020, pursuant to which, Shanghai Leasing Company agreed to provide the Company with Finance Lease and other relevant services at the Company's reasonable requests in accordance with the terms and conditions under the New Shanghai Finance Lease Framework Agreement.

(I) Main Contents of the New Shanghai Finance Lease Framework Agreement

The major terms of the New Shanghai Finance Lease Framework Agreement are as follows:

Lessor	:	Shanghai Leasing Company
Lessee	:	The Company
Date	:	29 September 2017
Duration	:	From 1 January 2018 to 31 December 2020
Nature of transaction	:	Provision of the Finance Lease services by Shanghai Leasing Company to the Company by way of lease or sale and lease-back upon reasonable requests of the Company. With respect to each Finance Lease, the relevant Lessor and Lessee will enter into separate written contract(s) subject to the provisions of the New Shanghai Finance Lease Framework Agreement.
Lease method	:	The lease method includes sale and lease-back, pursuant to which the Lessor shall purchase from the Lessee the Leasing Equipment which will be leased back to the Lessee by the Lessor; and direct finance leasing arrangement involving leasing of Leasing Equipment newly acquired by the Lessor as per the specifications and requirements of the Lessee.

Lease period	:	The lease period for each Finance Lease will be determined by taking into account, inter alia, the useful life of the relevant Leasing Equipment (Note 1), the financial needs of the Lessee and the funding availability of the Lessor, which in general shall not exceed the useful life of such Leasing Equipment.
Lease payments and interest rate	:	The lease payments charged by the Lessor will include the purchase price (in the case of direct leasing) or the value (in the case of sale and lease-back) of the Leasing Equipment (Note 2) and the interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark lending rates published by PBOC from time to time (Notes 3 and 5), or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services(Note 7).
Handling fee	:	A one-off non-refundable handling fee may be charged by the Lessor on terms no less favourable to the Lessee than those offered by independent third parties when separate written contract(s) under the New Shanghai Finance Lease Framework Agreement is entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant written contract(s) (Notes 4, 5 and 7).
Ownership	:	The legal title and all rights of the Leasing Equipment shall vest in the Lessor throughout the lease period.
Purchase option	:	In respect of the sale and lease-back arrangement, subject to the Lessee having performed all its obligations under, and upon the expiry of the lease period of the separate written contract(s) under the New Shanghai Finance Lease Framework Agreement, the Lessee shall have an option to purchase the relevant Leasing Equipment at a nominal price (Note 6).

Notes (which are for illustration purpose only and do not constitute part of the New Shanghai Finance Lease Framework Agreement):

1. The useful life of the Leasing Equipment will be assessed by reference to the Group's assets management policy, industry practice, the past experience in using the Leasing Equipment and information obtained from internal engineering department staff who has technical knowledge on the use of the Leasing Equipment.

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

   In respect of the Finance Lease involving direct leasing of Leasing Equipment newly acquired by the Lessor, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessor and the Lessee. The Lessor will also take into account other factors including the risk profile of the Lessee and the type of the Leasing Equipment in determining the appropriate lease amount.

   The costs of Leasing Equipment referred to in the above two paragraphs are specified based on the market value determined through open tendering. Procedures for open tendering shall be strictly in compliance with the Tender and Bidding Law of the People's Republic of China, which applies to all purchases of major equipment. Failing to follow such legislation would result in a maximum fine of RMB100,000 according to the Regulation on the Implementation of the Tender and Bidding Law of the People's Republic of China.

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

3. The existing benchmark interest rates for RMB-denominated loans published by PBOC are as follows:

   - 4.35% for loans with terms not more than six months;
   - 4.35% for loans with terms over six months but not more than one year;
   - 4.75% for loans with terms over one year but not more than three years;
   - 4.75% for loans with terms over three years but not more than five years; and
   - 4.90% for loans with terms over five years.

4. There is currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the separate written contract(s) under the New Shanghai Finance Lease Framework Agreement, the Lessor and Lessee will determine the handling fee by reference to such rate, which will be given priority over the rates adopted by other major financial institutions, accordingly.

5. In determining the interest rate or amounts of the handling fee and purchase option, the Lessor will conduct an overall return assessment after considering, inter alia, the prevailing rates of PBOC or the major financial institutions, as the case may be, so as to meet its own return requirements and the credit risk assessment to the relevant Finance Lease. Therefore, the pricing with respect to such aspects of each Finance Lease will be determined on a case by case basis.

6. Since the Leasing Equipment has no residual value upon the expiry of the lease period, the Lessee intends to set the nominal price of the purchase option at RMB1.00.

7. The transaction amounts for Leasing Equipment under Finance Lease include lease payments, and the rents under Finance Lease include interest and handling fee.

(II) Historical Amounts

The table below sets out the annual caps for the two years ended/ending 31 December 2016 and 2017:

	Annual cap for the year ended 31 December 2016	**Annual cap for the year ending 31 December 2017**
Annual cap for Leasing Equipment under Finance Lease	RMB1,000 million	RMB2,000 million
Annual cap for rents under Finance Lease	RMB100 million	RMB150 million

For the year ended 31 December 2016 and eight months ended 31 August 2017, there was no amount in relation to Leasing Equipment under Finance Lease, nor was there any amount in relation to the rents under Finance Lease.

(III) Proposed Annual Caps

The table below sets out the proposed annual caps for the three years ending 31 December 2018, 2019 and 2020:

	Proposed annual cap for the year ending 31 December 2018	Proposed annual cap for the year ending 31 December 2019	Proposed annual cap for the year ending 31 December 2020
Annual cap for Leasing Equipment under Finance Lease	RMB2,000 million	RMB3,000 million	RMB3,000 million
Annual cap for rents under Finance Lease	RMB100 million	RMB150 million	RMB150 million

(IV) Basis for Determination of the Annual Caps

In determining the abovementioned annual caps, we have considered, among others:

(1) historical amount for the three years ended 31 December 2014, 2015 and 2016 and the eight months ended 31 August 2017 as disclosed in the above section (II).

(2) current conditions in financing market (including interest level and the level of similar services provided by independent third parties) and the possibility of future adjustment on the three-year term annual loan interests denominated in RMB by PBOC:

For recent years, the benchmark lending rates published by PBOC constantly kept at a level of approximately 4.0%, and the Company registered and issued tranches of ultra-short-term debentures, short-term debentures and green corporate bonds to supplement its working capital and to purchase equipment for its normal business. However, the current benchmark lending rates have been raised up to approximately 4.8%, thus the cost for issue debentures or bonds is much higher than before. The transactions contemplated under the New Shanghai Finance Lease Framework Agreement may allow the Company to have a lower fee charge than those purchased by loans or provided by independent third parties.

(3) historical cash flow for the three years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017 as disclosed in the corresponding annual report and/or interim report of the Company:

The Group will be able to mitigate the pressure on the cash flow for the acquisition of assets by giving less preceded funds to purchase the required production equipment or assets. In the year of implementing finance lease, the cash flow of the Group was relatively normal, while the cash flow was relatively tight in the year of non-implementing finance lease. As a fund raising and financing instrument, finance lease will be propitious to further optimize the Company's financial structure and improve the current cash flow performance.

(4) constantly increasing financing needs and future development prospects of the Group:

The installed capacity of the Group maintained a high growth in recent years. As at 30 June 2017, the Group's consolidated installed capacity amounted to 8,497.92MW, representing an increase of 16.9% over the same period last year. In addition, as at 31 August 2017, the approved reserve capacity of the Group was 3,962.20MW, and such capacity will be converted into construction in progress in the future. After considering the current conditions in financing market as disclosed in Item (2), the Group has to acquire new wind turbines by way of finance lease and obtain lower interest rate so as to minimise the costs in the process of development of the Company. The Group expects to continue to invest in increasing its installed capacity and construction of wind farms. In determining the annual caps, the Company has taken into account that such expansion would lead to an increase of financing needs of the Group.

(5) the nature and value of Leasing Equipment:

The size of installed capacity of wind turbines of the Group is generally 50MW to 300MW and each of the project with an installed capacity of 50MW will need approximately RMB2 billion. The implied capacity put into production for each year is approximately 1,500MW, and thus is more than RMB10 billion. As the majority of the aforesaid total cost in Item (4) is incurred by purchasing of wind power equipment, i.e. the Leasing Equipment, the need for a higher annual cap for the transactions contemplated under the New Shanghai Finance Lease Framework Agreement is obvious.

(V) Reasons for and Benefits of the Transactions under the New Shanghai Finance Lease Framework Agreement

The transactions under the New Shanghai Finance Lease Framework Agreement are beneficial to the Company as they will enable the Company to (1) broaden its financing channels and optimise its debt structure; (2) reduce its capital costs given the lower-than-market interest rates offered in the transactions under the New Shanghai Finance Lease Framework Agreement; and (3) in the case of direct leasing, reduce the cash outlay to purchase required equipments, thereby increasing financial resources for other business development activities. Meanwhile, Shanghai Leasing Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able to provide more convenient, effective and efficient finance leasing services to the Company.

The Directors (excluding connected Directors, but including the independent non-executive Directors) consider that it is beneficial to the Company to continue to enter into the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder as such transactions have facilitated and will continue to facilitate the operation and growth of the Company's business. Additionally, the Directors (excluding connected Directors, but including the independent non-executive Directors) believe that such transactions will continue to be conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(VI) Listing Rules Implications

DFL, CDC, China Datang Overseas (Hong Kong) Co., Ltd. and China Datang Group Capital Controlling Co., Ltd. respectively hold 35%, 30%, 25% and 10% of interests in Shanghai Leasing Company. As at the Latest Practicable Date, since CDC directly and indirectly holds approximately 65.61% of issued share capital of the Company and Shanghai Leasing Company is a subsidiary indirectly-owned by CDC, Shanghai Leasing Company is therefore a connected person of the Company. Accordingly, the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) with respect to the entering into of the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder are more than 5%, such transaction is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as one or more of the percentage ratio(s) applicable to the transactions under the New Shanghai Finance Lease Framework Agreement are more than 25% but less than 75%, such transactions constitute major transactions of the Company that are subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(VII) Internal Control Procedures and Corporate Governance Measures

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

(i) The New Shanghai Finance Lease Framework Agreement will be conducted on a non-exclusive basis;

(ii) Before entering into any separate leasing agreements with Shanghai Leasing Company, the Company will obtain quotations from at least three independent third parties who could provide the same or similar type of finance leasing services and negotiate with Shanghai Leasing Company on an arm's length basis in respect of the interests (including the handling fees) of the finance leasing services, and ensure that such interests (1) are not higher than the interests (including the handling fees and other fees) provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rates for RMB-denominated loans then published by PBOC for a similar term and in case of no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions for same or similar services; If the Company becomes aware that the interests charged by Shanghai Leasing Company are less favourable to the Company than those charged by any other independent third party on similar terms and conditions, the Company shall have the right to negotiate with Shanghai Leasing Company on an arm's length basis and Shanghai Leasing Company shall agree to adjust the interests of finance leasing services such that the interests charged under the New Shanghai Finance Lease Framework Agreement are not less favourable to the Company than those charged by any other independent third party for finance leasing services in the market;

(iii) Before entering into any separate leasing agreements with Shanghai Leasing Company, the legal department of the Company will review the separate leasing agreement to ensure the major terms are in compliance with the relevant terms of the New Shanghai Finance Lease Framework Agreement;

(iv) The financial management department of the Company has established relevant supervisory system, and the financial officer of the Company will report the amount for Leasing Equipment under Finance Lease and the rents under Finance Lease to the financial management department of the Company on a daily basis and the financial management department of the Company will strictly control the balance caps, to ensure the annual caps will not be exceeded;

(v) The financial management department of the Company will prepare the monthly statement and analysis report, and report the specific financing situation of the current month to the management of the Company (including the general manager, the deputy general manager, the secretary to the Board, the chief accountant and the chief engineer) every month, including the analysis on the amount for Leasing Equipment under Finance Lease and the rents under Finance Lease under the New Shanghai Finance Lease Framework Agreement, as well as the financial costs saved due to the entering of the New Shanghai Finance Lease Framework Agreement as compared to the Company's weighted average interest rate of loans of the current month. The Company's weighted average interest rate of loans of the current month mentioned above represents the weighted average interest rate of loans of various financings to/from various parties (including independent third parties and the connected/related parties of the Company) to be updated by the Company every month; and

(vi) The independent non-executive Directors of the Company will review the New Shanghai Finance Lease Framework Agreement and the continuing connected transactions contemplated thereunder and listen to the quarterly report by the secretary to the Board and chief accountant of the Company to ensure that the relevant agreements are entered into on normal commercial terms and are fair and reasonable and conducted in accordance with the terms set out therein. Furthermore, the auditors of the Company will perform annual reviews on the pricing and annual caps of such continuing connected transactions.

(VIII) Opinion of the Board

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

As Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun, being the Directors of the Company, are deemed to have material interests in the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder by virtue of their respective positions in CDC, they have abstained from voting on the resolution in relation to consideration and approval of the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder at the Board meeting. Save as disclosed above, none of the Directors has any material interest in the transaction.

Since the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder are subject to the Independent Shareholders' approval, an Independent Board Committee comprised of all independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the relevant transaction. Your attention is drawn to the Letter from the Independent Board Committee, which is set out on page 28 of this circular, and which contains their recommendations in respect of the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder.

Gram Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders of the Company on the same issue. The advice of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder is set out on pages 29 to 43 of this circular. The Independent Financial Adviser considers that the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

(IX) Approval by Independent Shareholders

In view of the material interests of CDC in the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder, CDC and its subsidiaries (holding an aggregate of approximately 65.61% of the issued share capital of the Company as at the Latest Practicable Date) and the associates thereof are required to abstain from voting on the resolution to be proposed at the EGM to approve the transaction. As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, save as disclosed in this circular, no other Shareholders are required to abstain from voting on relevant resolutions.

(X) General Information

Information of the Company

Please refer to the section of "Information of the Company" on page 12 of this circular.

Information of Shanghai Leasing Company

Shanghai Leasing Company is a limited liability company incorporated in the PRC in March 2015 and an indirectly-owned subsidiary of CDC. Shanghai Leasing Company is principally engaged in the financial leasing business, leasing business, purchase and leasing of properties in the PRC and from overseas countries, treatment of residual value of and maintenance of leased properties, consultation and guarantee for leasing transactions, and commercial factoring business related to its principal businesses.

III. Issue of Corporate Bonds in the PRC

In order to diversify the financing channels of the Company in the capital market, the Company will seek for issuing corporate bonds in the PRC. To achieve the above goal, according to the Company Law of the PRC and the Articles, details of the proposal are as follows subject to the approval of the Shareholders by way of a special resolution and the approval from the relevant PRC regulatory authorities:

(I) To Consider and Approve the Public Issue of Corporate Bonds in the PRC by the Company in accordance with the Following Terms:

1. Size of issue: an aggregate nominal value of not more than RMB1 billion, in one or multiple tranches, each subject to the Board's determination based on the market conditions authorized by the EGM.

2. Maturity of bonds: the bonds will have a maturity of not exceeding 15 years (inclusive) and may have a single maturity or be hybrid bonds which have multiple maturities, which will be determined in accordance with the Company's needs and market conditions.

3. Use of proceeds: include but not limited to supplementing the working capital of the Company, repayment of debts, adjusting debt structure and investing in projects.

4. Validity period of the resolution: one year since the date of approval of this resolution at the EGM.

(II) To Consider and Approve the Non-Public Issue of Corporate Bonds in the PRC by the Company in accordance with the Following Terms:

1. Size of issue: an aggregate nominal value of not more than RMB1.5 billion, in multiple tranches, each subject to the Board's determination based on the market conditions authorized by the EGM.

2. Maturity of bonds: the bonds will have a maturity of not exceeding 15 years (inclusive) and may have a single maturity or be hybrid bonds which have multiple maturities, which will be determined in accordance with the Company's needs and market conditions.

3. Use of proceeds: include but not limited to supplementing the working capital of the Company, repayment of debts, adjusting debt structure and investing in projects.

4. Validity period of the resolution: one year since the date of approval of this resolution at the EGM.

(III) To Submit to Authorize the Board at the EGM to Deal with All Matters Relating to the Issue of Corporate Bonds, Including but not Limited to:

1. So far as permitted by laws and regulations and taking into account the specific needs of the Company and the market conditions, to determine and confirm all matters relating to the issue of corporate bonds, including but not limited to, the specific plan of the issue and the revision or adjustments to the terms of the issue, including but not limited to arrangements including the size of issue, the actual aggregate amount, the issue price, the interest rate of bonds or its basis of determination, the timing of issue, whether to be issued in tranches and the number of tranches, any repurchase or redemption provisions, the arrangement of rating, warranty, the repayment of principal and interest, guarantee measures for debt repayment and listing, as well as specific arrangements relating to the use of proceeds within the scope approved at the EGM;

2. To take all such steps as necessary for the issue and the application for listing of corporate bonds (including but not limited to, the signing of all requisite legal documentation, selecting and appointing intermediary institutions to be involved, confirming underwriting arrangements, preparing and submitting any relevant application documents to the regulatory authorities, obtaining any approvals from the regulatory authorities, selecting the trustee for the bonds to be issued, signing any entrusting agreements and formulating the rules of procedures for bondholders' meeting, handling other matters relating to the issue of corporate bonds, determining and dealing with any issues relating to the listing and trading of the corporate bonds to be issued after completion of the issue pursuant to the related rules of the relevant stock exchange(s), and making any necessary information disclosure in accordance with applicable regulatory rules), and to approve, confirm and ratify the aforementioned steps taken for the issue and listing of corporate bonds to the extent that any of them have already been taken by the Board;

3. To adjust the specific plan and other related matters relating to the issue of corporate bonds as appropriate in accordance with the opinion of the regulatory authorities (if any), or to consider whether to continue the issue of corporate bonds based on the actual circumstances in the event of any changes in policies of regulatory authorities or market conditions, save and except any matters which are required to be reapproved at the general meetings in accordance with relevant laws, regulations and the Articles;

4. In the event that the Company expects that it is unable or fails to repay the principal and interest relating to the corporate bonds, the Company may decide to carry out the guarantee measures for debt repayment according to the PRC laws and regulations as well as requirements of relevant regulatory authorities, including but not limited to: (1) cancellation of dividend distribution to Shareholders; (2) suspension of projects that incur capital expenses such as substantial external investments, acquisitions and mergers; (3) adjustment, reduction or cessation of payment of salary and bonus to Directors and senior management; and (4) prohibition of job reallocation of persons who are principally responsible;

5. The aggregate issued value of the above corporate bonds is no more than RMB2 billion and the aggregate financing value no more than 2017 annual budget. The financing budget is subject to the adjustment of the annual investment plan;

6. The validity period of the authorization relating to the issue and listing of corporate bonds shall be two years since the date of approval at the EGM;

7. Subject to the approval and authorization of above items 1 to 6 at the EGM, to propose to submit to the EGM to approve the Board for delegation of the authority to the General Manager of the Company to deal with all such matters relating to the issue and listing of corporate bonds within the scope of the aforementioned authorization and propose the Board to authorize the Company secretary to deal with all such matters relating to disclosure, with immediate effect.

EGM

The EGM is proposed to be held at 10:00 a.m. on Wednesday, 22 November 2017 at Room 501, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, PRC to approve the resolutions to be proposed at the EGM as set out in the revised notice of the EGM. The revised notice of the EGM is set out on pages 54 to 55 of this circular.

In order to ascertain the entitlements of the Shareholders to attend the EGM, the register of members of the Company will be closed from Monday, 16 October 2017 to Wednesday, 22 November 2017 (both days inclusive). To be eligible to attend and vote at the EGM, all transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the Company's head office in the PRC at 8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing 100053, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Tuesday, 13 October 2017.

VOTING BY POLL AT EGM

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

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

RECOMMENDATION

The Board (excluding connected Directors, but including independent non-executive Directors) considers that the aforesaid resolutions are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the resolutions as set out in the revised notice of EGM which are to be proposed at the EGM.

ADDITIONAL INFORMATION

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

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Chen Feihu
Chairman

* *For identification purpose only*

中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01798)

24 October 2017

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular sent to all Shareholders (the "**Circular**") dated 24 October 2017 of the Company of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement and their respective transactions contemplated thereunder (details set out in the letter from the Board in the Circular) are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders of the Company on the same issue.

Having considered the information set out in the letter from the Board as well as the letter from the Independent Financial Adviser in the Circular, we are of the view that the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement and their respective transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Our view related to fairness and reasonableness is necessarily based on information, facts and circumstances currently prevailing.

Accordingly, we advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement and their respective transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Liu Chaoan	**Mr. Lo Mun Lam, Raymond**	**Mr. Yu Shunkun**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

* *For identification purpose only*

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the New CDC Finance Lease Framework Agreement, the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

24 October 2017

To: *The independent board committee and the independent shareholders of China Datang Corporation Renewable Power Co., Limited**

Dear Sirs,

(1) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF CDC FINANCE LEASE FRAMEWORK AGREEMENT
(2) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF SHANGHAI FINANCE LEASE FRAMEWORK AGREEMENT

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) provision of Finance Lease by DFL (the "**DFL Transaction**"); and (ii) provision of Finance Lease by Shanghai Leasing Company (the "**SL Transaction**", together with the DFL Transaction, the "**Transactions**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 24 October 2017 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 29 September 2017, the Company entered into the New CDC Finance Lease Framework Agreement with DFL, pursuant to which DFL agreed to provide members of the Group with Finance Lease and other relevant services at their reasonable request in accordance with the terms and conditions under the New CDC Finance Lease Framework Agreement for a term of three years commencing from 1 January 2018 and ending on 31 December 2020.

On the even date, the Company entered into the New Shanghai Finance Lease Framework Agreement with Shanghai Leasing Company, pursuant to which Shanghai Leasing Company agreed to provide the Company with Finance Lease and other relevant services at the Company's reasonable request in accordance with the terms and conditions under the New Shanghai Finance Lease Framework Agreement for a term of three years commencing from 1 January 2018 and ending on 31 December 2020.

With reference to the Board Letter, the entering into of each of the New CDC Finance Lease Framework Agreement and New Shanghai Finance Lease Framework Agreement constitute major transaction and continuing connected transactions and are subject to the reporting and announcement, annual review and the independent shareholders' approval requirement under the Listing Rules.

The Independent Board Committee comprising Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond, Mr. Yu Shunkun (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of each of the New CDC Finance Lease Framework Agreement and New Shanghai Finance Lease Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether each of the Transactions is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the New CDC Finance Lease Framework Agreement and New Shanghai Finance Lease Framework Agreement and transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Mr. Graham Lam was the person signing off the opinion letter from the independent financial adviser contained in (i) the circular dated 2 June 2017 in respect of, among other things, a major and continuing connected transaction of the Company; (ii) the circular dated 9 December 2016 in respect of the major transaction and continuing connected transactions for Datang International Power Generation Co., Ltd.[*(Note)*](991 & SH601991, "**Datang International**"); (iii) the circular dated 9 February 2017 in respect of (a) connected transactions regarding subscription of A shares and H shares; and (b) application for whitewash waiver (collectively with (a), the "**Whitewash Transactions**") for Datang International; (iv) the circular dated 17 February 2017 in respect of continuing connected transactions for Datang International; and (v) the supplemental circular dated 13 March 2017 in respect of the Whitewash Transactions for Datang International.

Note: Based on public information, China Datang Corporation* (中國大唐集團公司), being a controlling shareholder of the Company, is also a controlling shareholder of Datang International.

Notwithstanding the aforesaid past engagements as the independent financial adviser of the Company and Datang International, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders. Besides that, apart from the advisory fee to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 the 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 in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, DFL, Shanghai Leasing Company, and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. If there are any material changes before EGM, Shareholders will be notified as soon as possible. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

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

Information on DFL

With reference to the Board Letter, DFL is a limited liability company incorporated in the PRC in November 2012. DFL is principally engaged in financial leasing, purchase of leased property from domestic and overseas sellers, treatment of residual value of and maintenance of leased property, consultation on leasing transactions.

Information on Shanghai Leasing Company

With reference to the Board Letter, Shanghai Leasing Company is a limited liability company incorporated in the PRC in March 2015. Shanghai Leasing Company is principally engaged in the financial leasing business, leasing business, purchase and leasing of properties in the PRC and from overseas countries, treatment of residual value of and maintenance of leased properties, consultation and guarantee for leasing transactions, and commercial factoring business related to its principal businesses.

Reasons for and benefit of the Transactions

With reference to the Board Letter, the DFL Transaction is beneficial to the Company as it will enable the Company (1) to broaden its financing channels and raise low-cost funds under the current situations where the size of bank loans is still tightened up and interest rates of bank financing stay high; and (2) to facilitate the smooth development and operation of the Group's business. Furthermore, the SF Transaction is beneficial to the Company as it will help to (1) broaden its financing channels and optimise its debt structure; (2) reduce its capital costs given the lower-than-market interest rates offered in the New Shanghai Finance Lease Framework Agreement Transactions; and (3) in the case of direct leasing, reduce the cash outlay to purchase required equipments, thereby increasing financial resources for other business development activities. Meanwhile, Shanghai Leasing Company would be able to develop a deeper understanding in the operation of the Company and relevant units, which in turn would be able to provide more convenient, effective and efficient finance leasing services to the Company.

With reference to the annual report of the Company for the year ended 31 December 2016 ("**FY2016**"), the Group's recorded interest expenses of approximately RMB1.91 billion for FY2016 and RMB2.22 billion for the year ended 31 December 2015 ("**FY2015**") respectively, representing approximately 32.97% and 39.81% to its revenue for FY2016 and FY2015 respectively. Pursuant to the New CDC Finance Lease Framework Agreement and New Shanghai Finance Lease Framework Agreement, the lease payments charged by the Lessor will include the purchase price (in the case of direct leasing) or the value (in the case of sale and lease-back) of the Leasing Equipment and the interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark lending rates published by PBOC from time to time, or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services. As such, the Transactions may allow the Company to have a lower fee charge than those provided by independent third parties.

Furthermore, with reference to the interim report of the Company for the six months ended 30 June 2017, in the first half of 2017, the Group steadily pushed forward its early stage development work and closely tracked national development and construction programs and planning. Wind power projects with an aggregate capacity of 1.1 million KW in 16 provinces including Jiangxi, Shandong have been included in the announced development programs of 12 provinces, of which regions not subject to power curtailment accounted for 80%, indicating a steady increase in the Group's total resource reserve. In the first half of 2017, the Group's newly-added approved capacity was 200MW, the approved reserve capacity was 3,962.2MW, and the capacity included in the plan but yet to be approved was 792.5MW.

In light of the above factors, we consider the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

A. DFL TRANSACTION

Principal terms of the New CDC Finance Lease Framework Agreement

DFL provides the Finance Lease services to members of the Group by way of lease or sale and lease-back upon reasonable requests. With respect to each Finance Lease, the relevant Lessor and Lessee will enter into separate written contract(s) subject to the provisions of the New CDC Finance Lease Framework Agreement. Details of the terms of the New CDC Finance Lease Framework Agreement are set out under the section headed "Main Contents of the New CDC Finance Lease Framework Agreement" of the Board Letter.

Pursuant to the New CDC Finance Lease Framework Agreement, the lease payments charged by the Lessor will include the purchase price (in the case of direct leasing) or the value (in the case of sale and lease-back) of the Leasing Equipment and interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate shall be determined by reference to the benchmark lending rates published by PBOC from time to time, or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services.

With reference to the Board Letter, in respect of:

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

(ii) the Finance Lease involving direct leasing of Leasing Equipment newly acquired by the Lessor, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessor and the Lessee. The Lessor will also take into account other factors including the risk profile of the Lessee and the type of the Leasing Equipment in determining the appropriate lease amount.

The costs of Leasing Equipment referred to in the above two paragraphs are specified based on the market value determined through open tendering. Procedures for open tendering shall be strictly in compliance with the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), which applies to all purchases of major equipment.

In light of that (i) lease payments will be determined by reference to the benchmark lending rates published by PBOC from time to time; (ii) such rate will be no less favourable to the Lessee than those offered by independent third parties; and (iii) the costs of Leasing Equipment will be specified based on the market value determined through open tendering, we consider the above pricing policy under the New CDC Finance Lease Framework Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

To further assess the terms and conditions of New CDC Finance Lease Framework Agreement (other than the pricing policy), upon our request, we obtained certain samples of finance lease contract, which are still effective, entered into between the Group and an independent third party financial institution in 2010 ("**Independent Contract**") regarding wind power related electricity generation equipment. We noted that the terms (such as "lease method", "lease period", "title" and etc.) under the New CDC Finance Lease Framework Agreement are similar to those under the Independent Contract.

As also advised by the Directors, to safeguard the interests of the shareholders as whole, the Company will adopt internal approval and monitoring procedures relating to the DFL Transaction, including:

(i) the New CDC Finance Lease Framework Agreement will be conducted on a non-exclusive basis;

(ii) before entering into any independent leasing agreements with DFL, the Company will obtain quotations from at least three independent third parties who could provide the same or similar type of finance leasing services and negotiate with DFL on an arm's length basis in respect of the interest rate of the finance leasing services, and ensure that such interest rates (1) are not higher than the terms provided by independent third party(ies) to the Lessee(s); and (2) are not higher than the benchmark interest rate then published by PBOC for similar loans for a similar term and in case of no such interest rate, by reference to, among others, the interest rate charged by other major financial institutions for same or similar services;

(iii) before entering into any individual finance leasing agreements with DFL, the Company's legal department will review the individual leasing agreements to ensure the major terms are in compliance with the relevant terms of the New CDC Finance Lease Framework Agreement;

(iv) the Company's financial management department will monitor the actual incurred amount of the finance leasing services on a dynamic basis to ensure the proposed annual caps will not be exceeded; and

(v) the Company's financial management department will report to the management of the Company, giving an update of the finance leasing services arrangements with DFL on a monthly basis.

For our due diligence purpose, we discussed with the Directors regarding the above measures and we consider that the above measures are sufficient for the Company to monitor the DFL Transaction.

Taking into account the aforesaid measures, we consider that the effective implementation of the above measures would help to ensure fair pricing of the transactions contemplated under the New CDC Finance Lease Framework Agreement according to the pricing policies.

In light of the above factors, we are of the view that the terms of the New CDC Finance Lease Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Principal terms of the New Shanghai Finance Lease Framework Agreement

Shanghai Leasing Company provides the Finance Lease services by way of lease or sale and leaseback to the Company upon reasonable requests. With respect to each Finance Lease, the relevant Lessor and Lessee will enter into separate written contract(s) subject to the provisions of the New Shanghai Finance Lease Framework Agreement. Details of the terms of the New Shanghai Finance Lease Framework Agreement are set out under the section headed "Main Contents of the New Shanghai Finance Lease Framework Agreement" of the Board Letter.

Pursuant to the New Shanghai Finance Lease Framework Agreement, the lease payments charged by the Lessor will include the purchase price (in the case of direct leasing) or the value (in the case of sale and lease-back) of the Leasing Equipment and the interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate which shall be determined by reference to the benchmark lending rates published by PBOC from time to time, or, if no such rate is available, by reference to, among others, the rate charged by the other major financial institutions for the same or similar types of services.

With reference to the Board Letter, in respect of:

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

(ii) the Finance Lease involving direct leasing of Leasing Equipment newly acquired by the Lessor, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessor and the Lessee. The Lessor will also take into account other factors including the risk profile of the Lessee and the type of the Leasing Equipment in determining the appropriate lease amount.

The costs of Leasing Equipment referred to in the above two paragraphs are specified based on the market value determined through open tendering. Procedures for open tendering shall strictly follow the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), which applies to all purchases of major equipment.

In light of that (i) lease payments will be determined by reference to the benchmark lending rates published by PBOC from time to time; (ii) such rates will be no less favourable to the Lessee than those offered by independent third parties; and (iii) the costs of Leasing Equipment will be specified based on the market value determined through open tendering, we consider the above pricing policy under the New Shanghai Finance Lease Framework Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

To further assess the terms and conditions of New Shanghai Finance Lease Framework Agreement (other than the pricing policy), upon our request, we reviewed the Independent Contract. We noted that the terms (such as "lease method", "lease period", "title" and etc.) under the New Shanghai Finance Lease Framework Agreement are similar to those under the Independent Contract.

As also advised by the Directors, to safeguard the interests of the shareholders as whole, the Company will adopt internal approval and monitoring procedures relating to the SL Transaction, which is similar to the internal control procedures relating to the DFL Transaction.

For our due diligence purpose, we discussed with the Directors regarding the above measures and we consider that such measures are sufficient for the Company to monitor the SL Transaction.

Taking into account the aforesaid measures, we consider that the effective implementation of the Measures would help to ensure fair pricing of the transactions contemplated under the New Shanghai Finance Lease Framework Agreement according to the pricing policies.

In light of the above factors, we are of the view that the terms of the New Shanghai Finance Lease Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The historical amounts and the proposed annual caps

Set out below are (i) the actual amount for Leasing Equipment under Finance Lease for the three years ended 31 December 2016 (as the case may be); (ii) the annual caps for Leasing Equipment and rents under Finance Lease for the three years ending 31 December 2020:

Historical transaction amounts	**For the year ended 31 December 2014** *(in RMB million)*	**For the year ended 31 December 2015** *(in RMB million)*	**For the year ended 31 December 2016** *(in RMB million)*
DFL Transaction			
Actual amount for Leasing Equipment under Finance Lease	1,413	72	Nil
Actual rents under Finance Lease	100	96	Nil
SL Transaction			
Actual amount for Leasing Equipment under Finance Lease	N/A	N/A	Nil
Actual rents under Finance Lease	N/A	N/A	Nil

The annual caps	**For the year ending 31 December 2018** *(in RMB million)*	**For the year ending 31 December 2019** *(in RMB million)*	**For the year ending 31 December 2020** *(in RMB million)*
DFL Transaction			
Annual cap for Leasing Equipment under Finance Lease (the "**DFL Lease Cap(s)**")	2,000	3,000	3,000
Annual cap for rents under Finance Lease (the "**DFL Expense Cap(s)**")	100	150	150
SL Transaction			
Annual cap for Leasing Equipment under Finance Lease (the "**SL Lease Cap(s)**")	2,000	3,000	3,000
Annual cap for rents under Finance Lease (the "**SL Expense Cap(s)**")	100	150	150

To assess the fairness and reasonableness of (i) the DFL Lease Caps and DFL Expense Caps (collectively, the "**DFL Caps**"); and (ii) the SL Lease Caps and SL Expense Caps (collectively, the "**SL Caps**") for the three years ending 31 December 2020 respectively, we have discussed with the Directors regarding the basis of determination of the DFL Caps. With reference to the Board Letter, in determining the abovementioned annual caps, the Directors have considered, among other things:

(i) historical amount for the three years ended 31 December 2016 and eight months ended 31 August 2017 (as the case may be);

(ii) current conditions in financing market (including interest level and the level of similar services provided by independent third parties) and the possibility of future adjustment on the three year term annual loan interests denominated in RMB by PBOC;

(iii) historical cash flow for the three years ended 31 December 2014, 2015 and 2016;

(iv) constantly increasing financing needs and future development prospects of the Group; and

(v) the natures and value of the Leasing Equipment.

The Group expects to continue to invest in increasing its installed capacity and construction of wind power farms. In determining the annual caps, the Company has taken into account such expansion which would lead to an increase of financing needs of the Group.

DFL Lease Cap and SL Lease Cap

We noted from the above table that both the actual transaction amount regarding the Finance Lease under DFL Transaction and SL Transaction were substantially lower than their respective annual caps for the two years ended 31 December 2016. In this regard, we enquired into the Directors and understood that such differences were mainly due to lower cost funds were available to the Group during the two years ended 31 December 2016 and eight months ended 31 August 2017.

We have also enquired into the Directors as to how the estimated finance lease cost was arrived. The Directors advised us that the estimated finance lease cost of each project was arrived based on (i) the cost of power generating equipment involved in the project; and (ii) the estimated finance lease interest rates for the three years ending 31 December 2020.

As mentioned above, in the first half of 2017, the Group steadily pushed forward its early stage development work and closely tracked national development and construction programs and planning. Wind power projects with an aggregate capacity of 1.1 million KW in 16 provinces including Jiangxi, Shandong have been included in the announced development programs of 12 provinces, indicating a steady increase in the Group's total resource reserve. In the first half of 2017, the Group's newly-added approved capacity was 200MW, the approved reserve capacity was 3,962.2MW, and the capacity included in the plan but yet to be approved was 792.5MW.

Set out below are the newly-added approved capacity, approved reserve capacity and capacity included in the plan but yet to be approved for each of the two years ended 31 December 2016 as extracted from the annual reports for each of the two years ended 31 December 2016.

Year	**Capacity approved but not put into production as at 31 December**	**Newly-added approved capacity during the year**
	(MW)	*(MW)*
2016	3,685.7	868.5
2015	4,459.45	1,308.7

Based on the above table, the implied capacity put into production for 2016 was approximately 1,642MW (calculated as 4,459.45MW + 868.5MW – 3,685.7MW). We further enquired into the Directors regarding the average cost unit (per MW) of wind farm and noted that the total cost, based on average cost unit (per MW) (the "**Average Cost Unit**") and implied capacity put into production for 2016 was more than RMB10 billion. As confirmed by the Directors, majority of the aforesaid total cost was incurred by purchasing of wind power equipment.

For our due diligence purpose, we obtained an internal document (the "**Internal Document**") which was prepared for the purpose of internal reporting by the senior management of the Company to the Directors regarding Company's operational status for the six months ended 30 June 2017. Based on the Internal Document, we noted that the Average Cost Unit is in line with the average cost unit (per MW) as reported in the Internal Document, which was calculated with reference to the Company's recent completion power related projects. In addition, we noted that the Average Cost Unit is also in line with unit investment amount of onshore wind power farm in 2013 and estimated unit investment amount of onshore wind power farm in 2020 according to "China Wind Energy Development Roadmap 2050 (version 2014)" issued by China National Renewable Energy Centre in 2014.

The sum of DFL Lease Cap and SL Lease Cap (collectively, the "**Total Cap**") for the year ending 31 December 2018 are RMB4 billion, which implies the possible demand on Finance Lease amount by the Group for the year ending 31 December 2018 may be RMB4 billion. The majority of total cost of RMB10 billion as incurred by purchasing of wind power equipment for 2016 exceeds the possible demand on Finance Lease amount by the Group for the year ending 31 December 2018.

As stated in the financing plan for 2017 in the circular of the Company dated 2 June 2017, the maximum annual financing amount of the Group in 2017 is RMB8 billion and finance lease is one of the financing sources as mentioned in such circular, the aforesaid maximum annual financing amount of the Group in 2017 is higher than the Total Cap of RMB4 billion for the year ending 31 December 2018.

Based on the above factors, we are of the view that the possible demand on Finance Lease amount by the Group for the year ending 31 December 2018 of RMB4 billion to be acceptable. Accordingly, we consider that each of the DFL Lease Cap and SL Lease Cap for the year ending 31 December 2018 is fair and reasonable.

According to the above table, each of the DFL Lease Cap and SL Lease Cap for FY2019 represented an increase of 50% respectively to FY2018. To assess the fairness and reasonableness of the substantial increase in annual caps, we considered the following information:

In 2016, the wind power generation capacity in the PRC was 241.0 billion kWh, representing a year-on-year increase of 30.1%. The State issued the "Thirteenth Five-Year" Plan for Power Development (《電力發展"十三五"規劃》), which sets out that, by 2020, the national wind power installed capacity will be above 210 million kW, the offshore wind power installed capacity will reach approximately 5 million kW, and the installed solar power capacity will be over 110 million kW. It is expected that the annual increase in new energy will be over 20 million kW and the new energy industry including wind power and solar power will continue to grow. The national "Thirteenth Five-Year" Plan for Wind Power Development (《風電發展"十三五"規劃》) states that the large scale development of onshore wind power will be accelerated in Central Eastern and Southern China. By 2020, the accumulated grid connection capacity in the provinces and cities in Central Eastern and Southern China will be over 70 million kW. Meanwhile, the problem of wind curtailment will be effectively solved, and further efforts will be exerted to scale up trans-provincial and trans-regional power transmission. The "Three Northern" regions will completely meet the requirement on minimum guaranteed purchase of utilization hours.

Having considered that (i) the year-on-year increase of 30.1% of wind power generation capacity in the PRC during 2016; (ii) the wind power installed capacity of the Group (a) for FY2016 represented an increase of 18.7% as compared to that for FY2015; and (b) for FY2015 represented an increase of approximately 18.8% as compared to that for FY2014; and (iii) the capacity approved but not put into production as at 31 December 2016 and Average Cost Unit, we consider that the increase in DFL Lease Cap and SL Lease Cap for 2019 is acceptable.

In light of the above factors, we consider that each of the DFL Lease Cap and SL Lease Cap for the year ending 31 December 2019 is fair and reasonable and such caps for the year ending 31 December 2020, which are the same as those for the year ending 31 December 2019 are fair and reasonable.

DFL Expense Cap and SL Expense Cap

As advised by the Directors, the DFL Expense Cap and SL Expense Cap was determined based on (i) DFL Lease Caps and SL Lease Caps for each of the three years ending 31 December 2020; (ii) estimated interest rate of 4.90% per annum.

According to PBOC's website, the existing interest rates for RMB-denominated loans is ranged from 4.35% to 4.90% (the "**RMB-denominated Loans Range**"), subject to the terms of loans. Based on the amount of each of DFL Lease Caps and SL Lease Caps for the three years ending 31 December 2020 and estimated interest rate of 4.90% per annum (being the maximum of RMB-denominated Loans Range), the estimated expenses (including interest and handling fee) is RMB98 million, RMB147 million and RMB147 million respectively for each of the three years ending 31 December 2020.

In light of that the estimated expenses amount is close to the DFL Expense Caps and SL Expense Caps for each of the three years ending 31 December 2020, we are of the view that each of the DFL Expense Caps and SL Expense Caps for the three years ending 31 December 2020 is fair and reasonable.

Shareholders should note that as the DFL Caps and SL Caps for the three years ending 31 December 2020 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2020, and they do not represent forecasts of cost to be incurred from the DFL Transaction and/or SL Transaction. Consequently, we express no opinion as to how closely the actual cost to be incurred from the DFL Transaction will correspond with the DFL Caps and SL Caps for the three years ending 31 December 2020.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum values of the DFL Transaction and SL Transaction must be restricted by their respective annual caps for the period concerned under the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement respectively; (ii) the terms of the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the DFL Transaction and SL Transaction (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps. In the event that the maximum amounts of the DFL Transaction/ SL Transaction are anticipated to exceed the DFL Caps/SL Caps, or that there is any proposed material amendment to the terms of the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the New CDC Finance Lease Framework Agreement and the New Shanghai Finance Lease Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are conducted in the ordinary and usual course of business and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the New CDC Finance Lease Framework Agreement, the New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

The details of the financial information of the Group for the six months ended 30 June 2017 were disclosed in page 37–45 of the Company's 2017 Interim Report published on the website of the Stock Exchange (http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0831/LTN20170831431.pdf) and the website of the Company (http://www.cdt-re.com/en/UploadFiles_9185/201709/2017090718013903.pdf);

The details of the financial information of the Group for the year ended 31 December 2016 were disclosed in page 104–121 of the Company's 2016 Annual Report published on the website of the Stock Exchange (http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0428/LTN201704281104.pdf) and the website of the Company (http://www.cdt-re.com/en/UploadFiles_9185/201709/2017091110532129.pdf);

The details of the financial information of the Group for the year ended 31 December 2015 were disclosed in page 107–119 of the Company's 2015 Annual Report published on the website of the Stock Exchange (http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0429/LTN201604292030.pdf) and the website of the Company (http://www.cdt-re.com/en/UploadFiles_9185/201605/2016050210344033.pdf);

The details of the financial information of the Group for the year ended 31 December 2014 were disclosed in page 109–125 of the Company's 2014 Annual Report published on the website of the Stock Exchange (http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0427/LTN201504271003.pdf) and the website of the Company (http://www.cdt-re.com/en/UploadFiles_9185/201504/E-Datang-AR056-HKEx.pdf).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2017 (being the Latest Practicable Date prior to the printing of this circular for ascertaining the statement of indebtedness), the Group had unaudited outstanding interest-bearing debts of approximately RMB47,482 million, comprising credit loans of approximately RMB28,878 million and short-term bonds of approximately RMB4,514 million, all of which are unguaranteed and unsecured debts; and guaranteed loans of approximately RMB5,044 million and secured loans of approximately RMB9,046 million.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptances credits, or any guarantees, or any other contingent liabilities outstanding at the close of business on 31 August 2017.

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since the close of business on 31 August 2017.

3. WORKING CAPITAL

As at the Latest Practicable Date, having made careful enquiries and taking into account of the internal resources of and credit facilities available to the Group as well as the New CDC Finance Lease Framework Agreement and New Shanghai Finance Lease Framework Agreement and the transactions contemplated thereunder, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

In 2017, by firmly grasping the opportunities for development in the national new energy industry, the Company will take the structural adjustment and efficiency enhancement as the mainstreams, driven by comprehensive reinforcement of innovation and guaranteed by reinforcement of Party building, team building and culture building, and devote more efforts to elevating the development, construction and marketing level in the early stage, with a view to realizing comprehensive upgrading of the scale, efficiency and management level, thus laying solid foundation for accelerating the building into a first-class new energy listed company. We will focus on the following matters:

(a) To take the structural adjustment and efficiency enhancement as the mainstreams, we must unswervingly stick to the development philosophy, put more efforts into accelerating the project approval and construction and enhance the quality and efficiency of development. We will rigidly implement the approval and commissioning targets through accelerating the acquisition and exploitation of wind power resources in Central Eastern China and Southern China, lift the proportion of photovoltaic projects and quicken the development of offshore and overseas projects. Moreover, we will actively expand the dispersed layout of photovoltaic projects and projects of heat-supplying using idle wind power units, and focus on lifting the qualities in terms of pre-feasibility research, preliminary design, optimal design, installation and commissioning and transfer production, in order to achieve synchronous upgrading of scale, layout, efficiency and management;

(b) To take the comprehensive reinforcement of innovation as the driving force, we must fully implement the innovation-driven strategy and establish the innovation awareness. According to the innovation and development strategy, we will design various development modes, such as self-construction, cooperative development and project acquisitions. We will intensify financial innovation and proactively expand financing channels, so as to provide funds for the Company's development. To strengthen technological innovation, we will actively carry out the research on power generation technology in low-wind-speed regions, upgrading efficiency of wind turbines, Internet Plus and intelligent and integrated power energy control technology, so as to expedite the improvement on efficiency of the Company's turbines, as well as create a new profit growth point. To speed up innovations in management systems and endeavor to promote the production management upgrade, we will build industry-leading management standards and modes and enhance the influence in the industry; and

(c) To elevate the development, construction and marketing level in the early stage. Seizing on the historic opportunity for development, we will speed up project approval and resource reserves, further deepen the management of project approval process and continuously improve the speed and quality at the early stage of development, so as to comprehensively enhance our capacity for sustainable development. The management of project commissioning progress, quality, safety and pricing will be expedited, in order to lift the procedural, strict and standardized management level of engineering construction, create top-quality projects with short construction period, low cost, excellent quality and high profitability, and increase the economies of scale in all aspects. We will focus on strengthening the marketing awareness and seize on new opportunities in the electricity market, with a view to building the systems and operating modes adapted to the complex market competition, accelerating the transition from a productive enterprise to an operating one and thus increasing the overall profitability.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS AND CONFIRMATIONS

(a) as at the Latest Practicable Date, none of the Directors, supervisors or senior management of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provision of the SFO); or are required pursuant to section 352 of the SFO to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers;

(b) the Company has not granted its Directors, supervisors, senior management or their respective spouses or children below 18 any rights to subscribe for its equity securities or debt securities;

(c) apart from Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun who are directors and/or employees of CDC Group, none of the Directors is a director or employee of a company having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO;

(d) apart from Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun, who are deemed by the Listing Rules as connected Directors by virtue of their respective positions in CDC Group, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group since 31 December 2016, being the date to which the latest published audited annual financial statements of the Company were made up, and which was subsisting as at the Latest Practicable Date and significant in relation to the business of the Group;

(e) none of the Directors had any direct or indirect interest in any assets which have been since 31 December 2016, being the date to which the latest published audited annual financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(f) save as disclosed in the section "Interests of Directors in Competing Business" of the third paragraph of this Appendix, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder);

(g) the Directors are not aware of any material adverse change in the financial or trading positions of the Company since 31 December 2016, the date to which the latest published audited annual financial statements of the Company were made up;

(h) as at the Latest Practicable Date, none of the Directors or supervisors of the Company entered or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)); and

(i) the Board confirms that, after making all reasonable enquires and to the best of their knowledge, information and belief, there are no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholders, or any obligation or entitlement of any Shareholders as at the Latest Practicable Date, whereby such Shareholders have or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares, either generally or on a case-by-case basis.

3. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

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

Name of Directors	Position in the Company	Other Interests
Mr. Chen Feihu	Non-executive Director	Director and General Manager of CDC
Mr. Liu Guangming	Non-executive Director	Director of Capital Management and Property Management Department of CDC/Director of Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司), Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) and Datang Huayin Electric Power Co., Ltd. (大唐華銀電力股份有限公司)
Mr. Liang Yongpan	Non-executive Director	Director of Operation Safety Department of CDC
Mr. Liu Baojun	Non-executive Director	Vice General Manager of Datang Jilin

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

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

Name of Shareholder	Class of Shares	Capacity	Number of Shares Held *(Share)*	Percentage in the Relevant Class of Share *(%)*	Percentage in the Total Share Capital *(%)*
CDC *(Note 1)*	Domestic Shares	Beneficial owner and interests in controlled corporation	4,772,629,900 (Long position)	100.00%	65.61%

Name of Shareholder	Class of Shares	Capacity	Number of Shares Held *(Share)*	Percentage in the Relevant Class of Share *(%)*	Percentage in the Total Share Capital *(%)*
Datang Jilin *(Note 1)*	Domestic Shares	Beneficial owner	599,374,505 (Long position)	12.56%	8.24%
National Council for Social Security Fund	H Shares	Beneficial owner	214,261,000 (Long position)	8.57%	2.95%

Notes:

(1) CDC directly held 4,173,255,395 Domestic Shares and is deemed to be interested in 599,374,505 Domestic Shares held by Datang Jilin, by virtue of the fact that Datang Jilin is a wholly-owned subsidiary of CDC, therefore, CDC, directly and indirectly, held 4,772,629,900 Domestic Shares of the Company in total.

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

5. MATERIAL CONTRACTS

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by the Group which are or may be material:

(a) On 29 April 2016, the Company entered into the RMB-denominated loan agreement with China Development Bank Corporation ("**CDB**"), pursuant to which CDB provided a loan of RMB2.405 billion to the Company for the 400MW engineering project of Datang Chifeng Ar Horqin Banner Hanshan Wind Farm (大唐赤峰阿魯科爾沁旗罕山風電場400MW工程項目), with a term of 15 years; and

(b) On 13 June 2016, the Company renewed the financing facility agreement and the account overdraft agreement with Pudong Development Bank, pursuant to which Pudong Development Bank provided financing facility of RMB3.5 billion to the Company for a term commencing from 13 June 2016 to 19 May 2017.

6. LITIGATION

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

As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company entered or proposed to enter into any service contract with any member of the Group.

7. QUALIFICATION OF EXPERT AND CONSENT

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

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

(a) Gram Capital has given and has not withdrawn its written consents to the issue of this circular with inclusion of its letter (as the case may be) and the reference to its name included herein in the form and context in which they currently appear.

(b) As at the Latest Practicable Date, Gram Capital did not hold any beneficial interest in the share capital of any member of the Group, nor did it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) As at the Latest Practicable Date, Gram Capital did not have any interest in any assets which have been, since 31 December 2016 (being the date to which the latest published audited annual financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. OTHER INFORMATION

(a) The joint company secretaries of the Company are Mr. Jia Hong and Ms. Kwong Yin Ping, Yvonne.

(b) The registered office of the Company in the PRC is Room 149, Building 1, No. 3, Xijing Road, Badachu Hi-tech Zone, Shijingshan District, Beijing, the PRC; the head office in the PRC is 8/F, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC; the principal place of business in Hong Kong is 18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(c) H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The English text of this Circular shall prevail over the Chinese text in the event of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hour at the principal place of business of the Company in Hong Kong (18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong) from the date of this Circular up to and including 22 November 2017:

(a) the letter from the Independent Board Committee, full text of which is set out on page 28 of this Circular;

(b) the letter from the Independent Financial Adviser, full text of which is set out on pages 29 to 43 of this Circular;

(c) the written consent of the experts referred to Paragraph 5 of this appendix;

(d) the New CDC Finance Lease Framework Agreement;

(e) the New Shanghai Finance Lease Framework Agreement; and

(f) this Circular.

中国大唐集团新能源股份有限公司
China Datang Corporation Renewable Power Co., Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01798)

REVISED NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2017

REVISED NOTICE IS HEREBY GIVEN that the second extraordinary general meeting ("**EGM**") in 2017 of China Datang Corporation Renewable Power Co., Limited* (the "**Company**") will be held at 10:00 a.m. on **Wednesday, 22 November 2017** at Room 501, Building 1, No. 1 Caishikou Street, Xicheng District, Beijing, the PRC to consider the following matters:

ORDINARY RESOLUTIONS

1. To consider and approve the transactions and proposed annual caps under the New CDC Finance Lease Framework Agreement

2. To consider and approve the transactions and proposed annual caps under the New Shanghai Finance Lease Framework Agreement

SPECIAL RESOLUTION

3. To consider and approve the issue of corporate bonds in the PRC and to authorize the Board to deal with all matters relating to the issue of corporate bonds

By order of the Board
China Datang Corporation Renewable Power Co., Limited*
Chen Feihu
Chairman

Beijing, the PRC, 24 October 2017

Notes:

1. The register of members will be closed by the Company from Monday, 16 October 2017 to Wednesday, 22 November 2017 (both days inclusive). To be eligible to attend the EGM, all instruments of transfer accompanied by relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) or the Company's head office in the PRC (for holders of Domestic Shares of the Company) not later than 4:30 p.m. on Tuesday, 13 October 2017.

2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies (whether he/she is a Shareholder) to attend and vote at the EGM on his or her behalf.

3. The instrument to appoint a proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.

4. To be valid, the form of proxy must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) or the Company's head office in the PRC (for holders of Domestic Shares of the Company) within 24 hours prior to the holding of the EGM. If such instrument is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the specified place at the time set out in such instrument.

5. If the appointer is a legal person, its legal representative or any person authorised by resolutions of the Board or other governing bodies may attend the EGM on behalf of the appointer.

6. The Company has the rights to request a proxy who attends the EGM on behalf of a Shareholder to provide proof of identity.

7. Shareholders intending to attend the EGM must return the EGM reply slip to the Company's head office in the PRC (for holders of Domestic Shares of the Company) by hand, by post or by fax (fax number: (010) 8395 6519); or (for holders of H Shares of the Company) return the EGM reply slip to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by hand or by post on or before Thursday, 2 November 2017.

8. The EGM is expected to take less than half a day. Shareholders who attend the EGM shall be responsible for their own travel and accommodation expenses.

9. The address of the Company's head office in the PRC is as follows:

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

10. Other than the date of EGM, other information of the EGM remains unchanged.

As at the date of this notice, the executive directors of the Company are Mr. Zhou Kewen and Mr. Jiao Jianqing; the non-executive directors are Mr. Chen Feihu, Mr. Liu Guangming, Mr. Liang Yongpan and Mr. Liu Baojun; and the independent non-executive directors are Mr. Liu Chaoan, Mr. Lo Mun Lam, Raymond and Mr. Yu Shunkun.

* *For identification purpose only*