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大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 991)

CONNECTED TRANSACTION

Promoters Agreement

Pursuant to the Promoters Agreement, the Company, CDGC, Huayin Power, Guangxi Guiguan Power, Anhui Power, Datang Heilongjiang Power, Datang Jilin Power, Datang Gansu Power, Datang Shanxi Power, Datang Hebei Power, Longtan Hydropower, China National Power Resources and Datang Power Fuel have agreed to jointly establish China Datang Finance Co. China Datang Finance Co. will be owned as to 20% by the Company, 52.5% by CDGC and 2.5% by each of the Other Contracting Parties.

Connected transaction of the Company

As at the date of the Promoters Agreement, CDGC owns 35.43% interests in the Company, 43.54% interests in Huayin Power and more than 50% in each of the remaining Other Contracting Parties. In this regard, CDGC and the Other Contracting Parties are connected persons of the Company. Accordingly, the Promoters Agreement constitutes a connected transaction for the Company under the Listing Rules. As each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) is less than 2.5%, the Promoters Agreement is only subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

PROMOTORS AGREEMENT

Date

31 December 2004

Parties

The Company, CDGC, Huayin Power, Guangxi Guiguan Power, Anhui Power, Datang Heilongjiang Power, Datang Jilin Power, Datang Gansu Power, Datang Shanxi Power, Datang Hebei Power, Longtan Hydropower, China National Power Resources and Datang Power Fuel

Major terms of the Promoters Agreement

Subject: Establishment of China Datang Finance Co. which is subject to the approval of the relevant PRC authorities including SAIC. No condition precedent is attached to the Promoters Agreement

Registered capital of
China Datang Finance Co.: RMB500,000,000.00

Shareholdings of China
Datang Finance: China Datang Finance Co. will be owned as to 20% by the Company, 52.5% by CDGC and 2.5% by each of the Other Contracting Parties

Rights and obligations: Each of the shareholders of China Datang Finance Co. shall contribute to the registered capital in cash pro rata to their respective interests in China Datang Finance Co. and in accordance with the timing of the approval process by the relevant government authorities in the PRC. On this basis, the Company shall contribute RMB100 million to the registered capital of China Datang Finance Co. Such sum will be paid out of the internal resources of the Company and the date of payment will be at the time the establishment of China Datang Finance Co. is approved by the relevant PRC authorities, which is expected to be around the end of April 2005

Scope of business of China Datang Finance Co.: China Datang Finance Co. will provide financial services, including, but not limited to, corporate finance advices, credit verification, insurance agency services, capital financing, guarantee and all other services approved by China Banking Regulatory Commission

REASONS FOR ENTERING INTO THE PROMOTORS AGREEMENT

The purpose of entering into the Promoters Agreement and establishing China Datang Finance Co. is to provide the Company with various financial services including corporate finance advices, credit verification, insurance agency services, capital financing, guarantee and all other services approved by China Banking Regulatory Commission with a view to providing flexibility to the Company's financing means and enhancing its investments capability for supporting the rapid development and future plans of the Company. On this basis, the Directors, including the independent non-executive Directors, believe that the entering into the Promoters Agreement is in the best interest of the Company. Upon the incorporation of China Datang Finance Co., China Datang Finance Co. will become an associated company of the Company and a subsidiary of CDGC. China Datang Finance Co. will also become a connected person as defined in the Listing Rules and any financial services provided by China Datang Finance Co. to the Company in future will constitute connected transaction which should be subject to the requirements set out in Chapter 14A of the Listing Rules.

The Directors, including the independent non-executive Directors, believe that the terms of the Promoters Agreement are fair and reasonable as far as the Company's shareholders are concerned.

CONNECTED TRANSACTION

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INFORMATION RELATING TO THE COMPANY

The principal business of the Company includes the development and operation of power plants, the sale of heat and electricity, and the repair and maintenance of power equipment and power-related technical services.

DEFINITIONS

For the purposes of this announcement, capitalised terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

"Anhui Power" Anhui Electric Power Co., Ltd. (安徽電力股份有限公司), a subsidiary of CDGC which is principally engaged in the business of developing and generating electricity, thermal power and other ancillary products

“CDGC”	China Datang Corporation (中國大唐集團公司), a state-owned enterprise established under the laws of the PRC and is a substantial shareholder of the Company holding approximately 35.43% of the issued share capital of the Company. The principal business activities of CDGC include the development, investment, construction and management of power plants.
“China Datang Finance Co.”	China Datang Finance Co., Ltd. (中國大唐集團財務有限責任公司)
“China National Power Resources”	China National Water Resources & Electric Power Materials & Equipment Co., Ltd. (中國水利電力物資有限公司), a subsidiary of CDGC which is principally engaged in the business of investing hydro and thermal power enterprises, selling fuel supply and equipment and import and export of its products
“Company”	Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司), a sino-foreign joint stock limited company incorporated in the PRC in 13 December 1994, the H Shares of which are listed on the Stock Exchange and the London Stock Exchange
“Datang Gansu Power”	Datang Gansu Power Generation Co., Ltd. (大唐甘肅發電有限公司), a wholly-owned subsidiary of CDGC which is principally engaged in the business of generating and selling electricity and thermal power
“Datang Hebei Power”	Datang Hebei Power Generation Co., Ltd. (大唐河北發電有限公司), a wholly-owned subsidiary of CDGC which is principally engaged in the business of developing, investing and selling electricity and thermal power
“Datang Heilongjiang Power”	Datang Heilongjiang Power Generation Co., Ltd. (大唐黑龍江發電有限公司), a wholly-owned subsidiary of CDGC which is principally engaged in the business of generating and selling electricity and thermal power
“Datang Jilin Power”	Datang Jilin Power Generation Co., Ltd. (大唐吉林發電有限公司), a wholly-owned subsidiary of CDGC which is principally engaged in the business of generating and selling electricity and thermal power
“Datang Power Fuel”	Datang Power Fuel Co., Ltd. (大唐電力燃料有限公司), a wholly-owned subsidiary of CDGC which is principally engaged in the business of fuel processing, selling, transporting and storing
“Datang Shanxi Power”	Datang Shanxi Power Generation Co., Ltd. (大唐陝西發電有限公司), a wholly-owned subsidiary of CDGC which is principally engaged in the business of generating and selling electricity, thermal power and other ancillary products
“Directors”	directors of the Company
“Guangxi Guiguan Power”	Guangxi Guiguan Electric Power Co., Ltd. (廣西桂冠電力股份有限公司), a subsidiary of CDGC which is principally engaged in the business of developing and managing various types of power plants
“H Shares”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and are listed on the Stock Exchange and the London Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Huayin Power”	Hunan Huayin Power Co., Ltd. (湖南華銀電力股份有限公司), a company that is principally engaged in the business of power generation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Stock Exchange”	The London Stock Exchange Limited
“Longtan Hydropower”	Longtan Hydropower Development Co., Ltd. (龍灘水電開發有限公司), a subsidiary of CDGC which is principally engaged in the business of investing, constructing, operating and managing hydropower plants
“Other Contracting Parties”	Huayin Power, Guangxi Guiguan Power, Anhui Power, Datang Heilongjiang Power, Datang Jilin Power, Datang Gansu Power, Datang Shanxi Power, Datang Hebei Power, Longtan Hydropower, China National Power Resources and Datang Power Fuel
“PRC”	the People’s Republic of China
“Promotors Agreement”	the promotors agreement dated 31 December 2004 entered into between the Company, CDGC, Huayin Power, Guangxi Guiguan Power, Anhui Power, Datang Heilongjiang Power, Datang Jilin Power, Datang Gansu Power, Datang Shan’xi Power, Datang Hebei Power, Longtan Hydropower, China National Power Resources and Datang Power Fuel in respect of the establishment of China Datang Finance Co.
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	State Administration for Industry and Commerce of the PRC (中國國家工商行政管理總局)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 Laws of Hong Kong)

By Order of the Board
Yang Hongming
Company Secretary

Beijing, the PRC, 11 January 2005

As at the date of this announcement, the Directors are:—

Zhai Ruoyu, Zhang Yi, Hu Shengmu, Kou Bingen, Yang Hongming, Liu Haixia, Guan Tiangang, Su Tiegang, Ye Yonghui, Tong Yunshang, Xie Songlin, Xu Daping*, Liu Chaoan*, Yu Changchun* and Xia Qing**

* *independent non-executive Directors*

Please also refer to the published version of this announcement in South China Morning Post dated 12 January 2005.