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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)

ANNOUNCEMENT

DISCLOSABLE TRANSACTION AND

CONNECTED TRANSACTION

INVESTMENT AGREEMENT

The Board is pleased to announce that on 14 August 2009, Energy and Chemical Company, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with CDC to establish the Duolun Coal Chemical Company, for the purposes of constructing and operating Duolun Coal Chemical Project. Energy and Chemical Company and CDC agreed to contribute funds to the establishment of Duolun Coal Chemical Company in the proportions of 60% and 40%, respectively.

DISCLOSABLE TRANSACTION AND CONNECTED TRANSACTION

Since the assets and consideration ratios (as defined in Rule 14.07 of the Listing Rules) under the Investment Agreement are more than 5% but less than 25%, the Investment Agreement constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, CDC and its subsidiaries hold a total of approximately 35.60% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company under the Listing Rules and the entering into the Investment Agreement constitutes a connected transaction of the Company. As each of the assets and consideration ratios (as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Investment Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will also disclose the

relevant details in the next published annual report and accounts of the Company in accordance with the relevant requirements as set out in Rule 14A.45 of the Listing Rules. A circular containing details of the Investment Agreement, a letter from the Independent Board Committee of the Company and a letter from the independent financial advisor, both advising the terms of the Investment Agreement, together with the notice of the EGM, will be despatched to the shareholders as soon as possible.

The Board is pleased to announce that on 14 August 2009, Energy and Chemical Company, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with CDC to establish Duolun Coal Chemical Company for the purposes of constructing and operating the Duolun Coal Chemical Project.

INVESTMENT AGREEMENT

Date of the Investment Agreement:

14 August 2009

Parties to the Investment Agreement:

1. Energy and Chemical Company
2. CDC

Major Terms of the Investment Agreement

Pursuant to the Investment Agreement, Energy and Chemical Company and CDC agreed to contribute by way of cash to the establishment of Duolun Coal Chemical Company in the proportions of 60% and 40%, respectively, for the purposes of constructing and operating the Duolun Coal Chemical Project.

The Duolun Coal Chemical Project involves a total investment amount of approximately RMB16.20 billion (equivalent to approximately HK\$18.40 billion) which is subject to the total investment amount upon completion of the project. The ultimate registered capital of Duolun Coal Chemical Company is approximately 40% of the total investment amount of the Duolun Coal Chemical Project, which is approximately RMB6.48 billion (equivalent to approximately HK\$7.35 billion).

Based on the negotiation between Energy and Chemical Company and CDC, the initial registered capital of Duolun Coal Chemical Company is approximately RMB4.05 billion (equivalent to approximately HK\$4.59 billion). Energy and Chemical Company and CDC will be responsible for contributing by way of cash in the proportions of 60% and 40%, respectively, to the initial registered capital of Duolun Coal Chemical Company. As at the date of this announcement, the respective parties to the Investment Agreement have not contributed any registered capital to Duolun Coal Chemical Company. Energy and Chemical Company's contribution to the registered capital of Duolun Coal Chemical Company will be funded by internal resources.

Both parties to the Investment Agreement agreed that they will increase the registered capital of Duolun Coal Chemical Company in stages based on the construction progress of the Duolun Coal Chemical Project. Energy and Chemical Company and CDC have the right to contribute to the increase in the capital in proportion to their respective contributions to the paid-up capital of Duolun Coal Chemical Company. In the event that there is any variation in the proportion of capital contribution to Duolun Coal Chemical Company by Energy and Chemical Company and CDC, the Company will make disclosure in accordance with the requirements of the Listing Rules as and when necessary.

Pursuant to the Investment Agreement, all funds required for the construction of the Duolun Coal Chemical Project will be funded by the registered capital of Duolun Coal Chemical Company and other financing resources in the PRC. The respective parties to the Investment Agreement agreed to, if necessary, provide guarantees to Duolun Coal Chemical Company's financing in proportion to their respective capital contributions, while Duolun Coal Chemical Company will provide a counter-guarantee with its assets and earnings or with other feasible means as a security against the guarantees to be provided by both parties to the Investment Agreement. In the event of any further capital injections or other guarantees against borrowings are required, the Company will comply with the relevant requirements under the Listing Rules.

EFFECTIVE DATE OF THE INVESTMENT AGREEMENT

The Investment Agreement will become effective once the respective parties to the Investment Agreement have obtained their respective internal approvals for the investment set out in the Investment Agreement. The Investment Agreement is still required to be approved by the Independent Shareholders pursuant to the Articles of Association and the Listing Rules.

OTHER MAJOR TERMS OF THE INVESTMENT AGREEMENT

The term of operation of Duolun Coal Chemical Company shall be 30 years from the date of issuance of the relevant business licence.

Both parties to the Investment Agreement agreed to acknowledge various preliminary works on the Duolun Coal Chemical Project, which have been developed by the Company, prior to entering into the Investment Agreement, including but not limited to all expenses incurred and agreements entered into, with a view to ensuring the continuity of the work of the project. All expenses incurred shall be audited by an independent third party who is jointly appointed by both parties to the Investment Agreement and shall be confirmed by both parties. All expenses incurred shall be reimbursed to the Company by Duolun Coal Chemical Company taking into account the time value of money (time value is calculated based on the interest rate for a 5-year long-term loan at the People's Bank of China).

INFORMATION RELATING TO DUOLUN COAL CHEMICAL COMPANY

According to the Investment Agreement, Duolun Coal Chemical Company, upon its establishment, shall construct and operate the Duolun Coal Chemical Project. The Duolun Coal Chemical Project is located in Duolun County, Xilinguole League of the Inner Mongolia Autonomous Region. The project uses the brown coal as raw materials from the East Unit 2 coal mine of Shengli Coal Mine in Inner Mongolia, which is wholly-owned by the Company. It produces chemical products with advanced technologies, including pulverised coal gasification technology, synthetic gas purification technology, large-scale methanol synthesis technology, methanol-to-propylene technology and propylene polymerisation technology. This project is expected to produce 460,000 tonnes of polypropylene per year and other by-products.

The National Development and Reform Commission in the Inner Mongolia Autonomous Region has agreed with the filing for the Duolun Coal Chemical Project. As at the end of June 2009, the Company has made a payment, in an amount of approximately RMB15.801 billion (equivalent to approximately HK\$17.915 billion), to the work units principally responsible for the design, purchase of equipment and installation in relation to the construction of the Duolun Coal Chemical Project. Duolun Coal Chemical Company will become a subsidiary of the Company upon its establishment, and its results will be consolidated into the accounts of the Company.

INFORMATION RELATING TO ENERGY AND CHEMICAL COMPANY

Energy and Chemical Company is a wholly-owned subsidiary of the Company. Its scope of operations includes the development, transfer, consultation and service of energy and chemical technology; investment management; project design; repair and maintenance, installation and testing of chemical and power equipment.

INFORMATION RELATING TO THE COMPANY

The Company is principally engaged in the development and operation of power plants, the sale of electricity and thermal power, and the repair, testing and maintenance of power equipment and power-related technical services, with its main service areas being in the PRC.

INFORMATION RELATING TO CDC

CDC is a state-owned enterprise; its main scope of operations includes the development, investment, construction, operation and management of power energy; organisation of power (thermal) production and sales; power technology development and consultation, and so forth.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The Company has an objective of diversifying its business structure development. The Company's investment in construction of the Duolun Coal Chemical Project through its wholly-owned subsidiary is based on the Company's strategic initiatives for future development. This project will enable the Company to develop in the coal chemical arena. The Duolun Coal Chemical Project will utilise the brown coal as main raw materials mined at the East Unit 2 coal mine of Shengli Coal Mine, which is wholly-owned by the Company. Brown coal is suitable to be used in coal chemical operation, and therefore the brown coal from the East Unit 2 coal mine of Shengli Coal Mine can provide a reliable source of raw materials to the project with a marked cost advantage. The Duolun Coal Chemical Project is situated in an area with abundant water resources and convenient transportation facilities which will help to lower the operation costs of the Duolun Coal Chemical Project. Upon commencement of production, polypropylene, the major product of the project, will be widely used in daily consumables.

In the current domestic market, demand for polypropylene, the major product in the Duolun Coal Chemical Project, far exceeds its supply. As polypropylene products are basically derived from the petrochemical industry, its costs and selling prices are therefore closely correlated to oil prices. In general, polypropylene prices continue to rise with surging crude oil prices. However, in the event that crude oil prices fluctuate in the future, the market prices of polypropylene may be affected, which will in turn considerably affect the future profitability of Duolun Coal Chemical Company. The Company will closely monitor the trends of crude oil prices in both the domestic and international markets, as well as leading Duolun Coal Chemical Company to achieve a stronger market risk-averse ability. In view of the above, the Company believes that the Duolun Coal Chemical Project, upon its completion, will benefit from the growing demand for polypropylene in the domestic market. Meanwhile, it is beneficial for the Company to collaborate with CDC, the controlling shareholder of the Company, to jointly invest in establishing Duolun Coal Chemical Company for the purposes of constructing and operating the Duolun Coal Chemical Project. The Company will be able to leverage CDC's capital edge to enable the Company to spread its investment risks and enhance the efficiency of its capital utilisation, thereby enhancing the Company's profitability. The Directors believe that the entering into the Investment Agreement will facilitate the profit growth of the Company and will be in the interest of the shareholders as a whole.

The terms of the Investment Agreement were negotiated on an arm's length basis between both parties thereto and were determined on normal commercial terms. The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the independent financial advisor) consider that the terms of Investment Agreement are fair and reasonable and in the best interest of the Company and the shareholders as a whole.

DISCLOSABLE TRANSACTION AND CONNECTED TRANSACTION

Since the assets and consideration ratios (as defined in Rule 14.07 of the Listing Rules) under the Investment Agreement are more than 5% but less than 25%, the Investment Agreement constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, CDC and its subsidiaries hold a total of approximately 35.60% of the issued share capital of the Company. Therefore, CDC is a connected person of the Company under the Listing Rules and the entering into the Investment Agreement constitutes a connected transaction of the Company. As each of the assets and consideration ratios (as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Investment Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will also disclose the relevant details in the next published annual report and accounts of the Company in accordance with the relevant requirements as set out in Rule 14A.45 of the Listing Rules. A circular containing details of the Investment Agreement, a letter from the Independent Board Committee of the Company and a letter from the independent financial advisor, both advising the terms of the Investment Agreement, together with the notice of the EGM, will be despatched to the shareholders as soon as possible.

Those Directors who have a material interest in the transaction under the Investment Agreement (by virtue of being the principal management staff of CDC) have abstained from voting at the Board meeting for approval of the relevant transaction.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the Investment Agreement. Each of the members of the Independent Board Committee does not have any material interest in the Investment Agreement.

The Company will appoint an independent financial advisor to advise the Independent Board Committee and the Independent Shareholders on the terms of the Investment Agreement.

DESPATCH OF CIRCULAR

A circular containing details of the Investment Agreement, a letter from the Independent Board Committee of the Company and a letter from the independent financial advisor, both advising the terms of the Investment Agreement, together with the notice of the EGM will be despatched to the shareholders as soon as possible.

DEFINITIONS

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

“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each and are listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company

“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is a substantial shareholder of the Company pursuant to the Listing Rules which owns approximately 35.60% of the issued share capital of the Company as at the date of this announcement
“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H Shares are listed on The Stock Exchange of Hong Kong Limited and The London Stock Exchange Limited and whose A Shares are listed on the Shanghai Stock Exchange
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Duolun Coal Chemical Company”	Inner Mongolia Datang International Duolun Coal Chemical Project Company Limited, for the purposes of constructing and operating the Duolun Coal Chemical Project
“Duolun Coal Chemical Project”	It is located in Duolun County in the Inner Mongolia Autonomous Region. The project uses the brown coal from the East Unit 2 coal mine of Shengli Coal Mine as raw materials. It produces polypropylene chemical products with the pulverised coal gasification technology, the synthetic gas purification technology, large-scale methanol synthesis technology, the methanol-to-propylene technology and the propylene polymerisation technology. It is the most advanced coal chemical project adopting clean, efficient and high value-added utilisation of coal. This project produces 460,000 tonnes of polypropylene per year and other by-products

“EGM”	the extraordinary general meeting of the Company to be held to consider and approve the Investment Agreement
“Energy and Chemical Company”	Datang Energy and Chemical Company Limited, a wholly-owned subsidiary of the Company
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on The Stock Exchange of Hong Kong Limited and The London Stock Exchange Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the shareholders other than the Connected Persons of the Company who have material interest in the transaction contemplated under the Investment Agreement. CDC and its associates are required to be abstained from voting in approving the Investment Agreement at the EGM
“Independent Board Committee”	the independent board committee of the Company, comprising five independent non-executive Directors, and each of them does not have any material interest in the Investment Agreement
“Investment Agreement”	the investment agreement to be entered into by the Company and CDC to establish the Duolun Coal Chemical Company, for the purposes of constructing and operating the Duolun Coal Chemical Project
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“the East Unit 2 coal mine of Shengli Coal Mine”	the East Unit 2 coal mine of Shengli Coal Mine, which is constructed and operated by Xilinguole Mining Company. It produces brown coal. The coal production capacity of the phase I of the project is 30,000,000 tonnes per year
“%”	per cent

Note: Unless otherwise specified and for reference only, the conversion of Hong Kong dollars into Renminbi is based on the exchange rate of HK\$1 = RMB0.882 in this announcement.

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 17 August 2009

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

Zhai Ruoyu, Hu Shengmu, Cao Jingshan, Fang Qinghai, Zhou Gang, Liu Haixia, Guan Tiangang, Su Tiegang, Ye Yonghui, Li Gengsheng, Xie Songlin, Liu Chaoan*, Yu Changchun*, Xia Qing* and Li Hengyuan*.*

* *Independent non-executive Directors*