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大唐国际发电股份有限公司

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

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

(Stock Code: 00991)

ANNOUNCEMENT

CONNECTED TRANSACTION

ENTRUSTED LOAN FRAMEWORK AGREEMENT

On 2 July 2012, the twenty-sixth meeting of the seventh session of the Board considered and approved the provision of the Entrusted Loan of not more than RMB2 billion to Duolun Coal Chemical Company. On 5 July 2012, the Company entered into the Entrusted Loan Framework Agreement with Energy and Chemical Company, Datang Finance Company and Duolun Coal Chemical Company in relation to the provision of the Entrusted Loan by the Company or Energy and Chemical Company to Duolun Coal Chemical Company pursuant to the Entrusted Loan Framework Arrangement, in which Datang Finance Company acts as the lending agent.

CONNECTED TRANSACTION

As at the date of this announcement, Duolun Coal Chemical Company is owned as to 60% and 40% by Energy and Chemical Company, a wholly-owned subsidiary of the Company, and CDC, respectively. Datang Finance Company is a subsidiary of CDC which is a controlling Shareholder. CDC together with its subsidiaries hold approximately 34.71% of the issued share capital of the Company as at the date of this announcement. Both Duolun Coal Chemical Company and Datang Finance Company are therefore connected persons of the Company and the transaction under the Entrusted Loan Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the total principal amount of the Entrusted Loan under the Entrusted Loan Framework Agreement as approved by the Board is more than 5%, the Entrusted Loan Arrangement and the Entrusted Loan Framework Agreement are subject to the requirements of reporting, announcement and approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

The Company will disclose the relevant details in the next 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 Entrusted Loan Arrangement and the Entrusted Loan Framework Agreement, a letter from the independent board committee and a letter from the independent financial advisor, both advising the Entrusted Loan Arrangement and the terms of the Entrusted Loan Framework Agreement will be despatched to the Shareholders on or before 26 July 2012.

ENTRUSTED LOAN FRAMEWORK AGREEMENT

Date and Subject Matter

On 2 July 2012, the twenty-sixth meeting of the seventh session of the Board considered and approved the provision of the Entrusted Loan of not more than RMB2 billion to Duolun Coal Chemical Company. On 5 July 2012, the Company entered into the Entrusted Loan Framework Agreement with Energy and Chemical Company, Datang Finance Company and Duolun Coal Chemical Company in relation to the provision of the Entrusted Loan by the Company or Energy and Chemical Company to Duolun Coal Chemical Company pursuant to the Entrusted Loan Framework Arrangement, in which Datang Finance Company acts as a lending agent.

Parties

1. The Company or Energy and Chemical Company, as the lender;
2. Datang Finance Company, as the lending agent; and
3. Duolun Coal Chemical Company, as the borrower.

MAJOR TERMS OF THE ENTRUSTED LOAN FRAMEWORK AGREEMENT

Entrusted Loan Framework Arrangement

Pursuant to the Entrusted Loan Framework Agreement, Datang Finance Company is entrusted by the Company or Energy and Chemical Company to act as a lending agent to, inter alia, release the Entrusted Loan by various tranches to Duolun Coal Chemical Company.

Each of the parties agrees that it shall enter into separate entrusted loan agreements, during the term of the Entrusted Loan Framework Agreement, in relation to the provision of the Entrusted Loan in tranches, provided that such separate entrusted loan agreements shall be in compliance with the principles, terms and conditions under the Entrusted Loan Framework Agreement.

Principal amount of the Entrusted Loan

Not exceeding RMB2 billion

Term

The term for the Entrusted Loan Framework Agreement is 36 months commencing from 5 July 2012 and ending on 4 July 2015.

Interest rate

At a floating interest rate, being the benchmark interest rate to be charged for the same level of loans in RMB by the People's Bank of China for the same period as announced by the People's Bank of China on the date when each tranche of borrowing is withdrawn and such interest rate is to be adjusted annually. The adjustment date is 21st December of each year. The adjusted interest rate will be the benchmark interest rate for the same level of loans in RMB for the same period announced by the People's Bank of China on the adjustment date.

Such interest rate is arrived at after arm's length negotiation between the Company and Duolun Coal Chemical Company in consideration of the overall reduction in capital costs to the Group after the accounts of Duolun Coal Chemical Company (being the controlled subsidiary of the Company) are consolidated into the accounts of the Company.

Repayment schedule of the principal of the Entrusted Loan

One-off repayment of the principal by Duolun Coal Chemical Company upon maturity under the relevant entrusted loan agreements.

Payment schedule of interests of the Entrusted Loan

Interests shall be settled by Duolun Coal Chemical Company on a quarterly basis. The settlement date falls on the twentieth (20th) day of the last month of each quarter.

Handling Fees

The handling fees shall be charged in tranches by Datang Finance Company on the date of grant of the relevant tranches of the entrusted loan and on the date corresponding to the date of grant of that relevant tranches of the entrusted loan in each following year. The rate of the handling fees shall be 0.025% of the remaining amount of the Entrusted Loan each year.

Effective Date

The Entrusted Loan Framework Agreement shall become effective when it is duly signed by the parties and upon the approval of the internal authority of each of the parties (or the internal approval procedures of each of the parties have been implemented).

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 as well as the provision of power-related technical services. The main service areas of the Company are in the PRC.

INFORMATION RELATING TO ENERGY AND CHEMICAL COMPANY

Energy and Chemical Company is principally engaged in the production and sales businesses for the products including coal-alkene, coal-natural gas and extraction of alumina from pulverized fuel ash.

INFORMATION RELATING TO DUOLUN COAL CHEMICAL COMPANY

Duolun Coal Chemical Company was duly incorporated ~~in the PRC~~ on 19 August 2009 with a registered capital of RMB4,050 million. Duolun Coal Chemical Company is principally responsible for the construction and operation of the coal-based olefin project with an annual output of 460,000 tonnes. The equity structure of Duolun Coal Chemical Company is as follows: Energy and Chemical Company, the Company's wholly-owned subsidiary, holds 60% equity interests, and CDC, the controlling Shareholder of the Company, holds 40% equity interests. As at the date of this announcement, the aforementioned project is still in construction.

INFORMATION RELATING TO DATANG FINANCE COMPANY

Datang Finance Company is a non-banking financial institution duly incorporated in the PRC on 10 May 2005. Its registered capital is RMB3 billion. Its principal business includes, among others, the provision of deposit services, loan services, entrusted loan services and entrusted investment services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTED LOAN FRAMEWORK AGREEMENT

In order to ensure the smooth progress of the Duolun Coal Chemical Project, the Company or Energy and Chemical Company intends to provide the Entrusted Loan of not exceeding RMB2 billion to Duolun Coal Chemical Company according to the actual situation of the Duolun Coal Chemical Project. The Entrusted Loan is beneficial for the subsequent project construction and the smooth progress of production operation of the Duolun Coal Chemical Project and is to ensure repayment of due borrowings by Duolun Coal Chemical Company. It is also considered that the overall capital costs to the Group will be reduced after the accounts of Duolun Coal Chemical Company (being the controlled subsidiary of the Company) are consolidated into the accounts of the Company.

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) are of the view that the terms of the Entrusted Loan Framework Agreement are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

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As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the total principal amount of the Entrusted Loan under the Entrusted Loan Framework Agreement as approved by the Board is more than 5%, the Entrusted Loan Arrangement and the Entrusted Loan Framework Agreement are subject to the requirements of reporting, announcement and approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

The Company will disclose the relevant details in the next 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 Entrusted Loan Arrangement and the Entrusted Loan Framework Agreement, a letter from the independent board committee and a letter from the independent financial advisor, both advising the Entrusted Loan Arrangement and the terms of the Entrusted Loan Framework Agreement will be despatched to the Shareholders on or before 26 July 2012.

Any Shareholder with a material interest in the transaction and its associates will abstain from voting at the extraordinary general meeting to be held by the Company, to, among others, consider and approve the Entrusted Loan Framework Agreement. Therefore, CDC and its associates shall abstain from voting at the extraordinary general meeting to approve the Entrusted Loan Framework Agreement.

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 Entrusted Loan Framework Agreement. None of the Director has any material interest in the Entrusted Loan Framework Agreement.

The Company will appoint an independent financial advisor to advise the independent board committee of the Company and the independent Shareholders on the terms of the Entrusted Loan Framework Agreement.

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
“Board”	the board of Directors of the Company
“Datang Finance Company”	Datang Corporation Finance Limited Company, a subsidiary of CDC which is a controlling Shareholder. Its principal business includes, among others, the provision of deposit services, loan services, entrusted loan services and entrusted investment services
“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is the controlling Shareholder of the Company pursuant to the Listing Rules which, together with its subsidiaries, own approximately 34.71% 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 and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company

“Duolun Coal Chemical Company”	Datang Inner Mongolia Duolun Coal Chemical Company Limited, which constructs and operates the Duolun Coal Chemical Project
“Duolun Coal Chemical Project”	the project located in Duolun County in the Inner Mongolia Autonomous Region which uses the brown coal from the East Unit 2 coal mine of Shengli Coal Mine as raw materials for the production of polypropylene chemical products by employing 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
“Energy and Chemical Company”	Datang Energy and Chemical Company Limited, a wholly-owned subsidiary of the Company, principally engaged in the production and sales businesses for the products including coal-alkene, coal-natural gas and extraction of alumina from pulverized fuel ash
“Entrusted Loan”	the entrusted loan of a total principal amount of not exceeding RMB2 billion
“Entrusted Loan Framework Agreement”	the entrusted loan framework agreement entered into on 5 July 2012 between the Company, Energy and Chemical Company, Datang Finance Company and Duolun Coal Chemical Company in respect of the Entrusted Loan Framework Arrangement
“Entrusted Loan Framework Arrangement”	the arrangement where Datang Finance Company is entrusted by the Company or Energy and Chemical Company to act as a lending agent to, inter alia, release the Entrusted Loan in various tranches to Duolun Coal Chemical Company pursuant to the Entrusted Loan Framework Agreement
“Group”	the Company and its subsidiaries

“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 and the London Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Share(s)
“Shares”	the ordinary shares of the Company with a nominal value of RMB1.00 each, comprising domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 5 July 2012

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

Liu Shunda , Hu Shengmu, Cao Jingshan, Fang Qinghai, Zhou Gang, Liu Haixia, Guan Tiangang, Su Tiegang, Ye Yonghui, Li Gengsheng, Li Yanmeng, Zhao Zunlian*, Li Hengyuan*, Zhao Jie* and Jiang Guohua*.*

** Independent non-executive Directors*