

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

FINANCE LEASE CONTRACT

On 10 April 2013, Lixianjinag Hydropower Company, a subsidiary of the Company, entered into the Finance Lease Contract with Datang Lease Company, pursuant to which Lixianjiang Hydropower Company shall conduct a financial leasing arrangement in relation to a sale-leaseback of the Lease Assets with a principal amount not exceeding RMB600 million with Datang Lease Company. The lease term for the Lease Assets is 120 months.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold approximately 34.71% of the issued share capital of the Company. Datang Lease Company is a subsidiary of CDC. Accordingly, Datang Lease Company is a connected person of the Company. The Finance Lease Contract and the transaction thereunder constitute a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction under the Finance Lease Contract is more than 0.1% but less than 5%, the transaction contemplated under the Finance Lease Contract is only subject to the reporting and announcement requirements and does not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

FINANCE LEASE CONTRACT

Date:

10 April 2013

Parties:

Lessor: Datang Lease Company

Lessee: Lixianjiang Hydropower Company

Subject matter:

Pursuant to the Finance Lease Contract, Lixianjiang Hydropower Company shall transfer the Lease Assets to Datang Lease Company at the consideration of RMB600 million. Such consideration is payable by Datang Lease Company to Lixianjiang Hydropower Company within 5 working days from the effective date of the Finance Lease Contract.

As the finance lease arrangement under the Finance Lease Contract is sale and lease-back, the parties shall not conduct any delivery procedure of the Lease Assets. Once the consideration for the Lease Assets is paid by Datang Lease Company, Lixianjiang Hydropower Company shall be deemed to accept and check the Lease Assets.

Lease term:

The lease term for the Lease Assets is 120 months from the commencement date of the lease, i.e., the date which the consideration for the Lease Assets is paid by Datang Lease Company to Lixianjiang Hydropower Company.

Lease rent and payment:

The lease rent consists of the principal amount and the lease interests, which amounted to the total sum of approximately RMB805.6 million, and is payable by Lixianjiang Hydropower Company on a quarterly basis by 40 installments.

The principal amount and the consideration of the Lease Assets is RMB600 million and is arrived at after arm's length negotiation between the parties taking into account the original invoice value of the Lease Assets, i.e., RMB602.9081 million.

The lease interest shall be 7% below the benchmark interest rate for RMB term loan of more than 5 years as announced by the People's Bank of China. Such interest rate shall be adjusted once every three months from the commencement date of the lease. Throughout the term of the Finance Lease Contract, if the People's Bank of China adjusts the benchmark interest rate for RMB term loan of more than 5 years, the lease interest rate shall be adjusted in the same proportion and direction.

As at the date of this announcement, the prevailing benchmark interest rate for RMB term loan of more than 5 years is 6.55% per annum. According to this basis, the total lease interest for the lease term shall be approximately RMB205.6 million.

The lease interest is arrived at after arm's length negotiation between the both parties taking into account the prevailing benchmark interest rate for similar loans as announced by the People's Bank of China.

Ownership and purchase option

Throughout the lease term, the ownership of the Lease Assets shall vest in Datang Lease Company and Lixianjiang Hydropower Company shall have the use right of the Lease Assets.

After the fulfillment of all the obligations under the Finance Lease Contract by Lixianjiang Hydropower Company and upon the expiry of the lease term under the Finance Lease Contract, Lixianjiang Hydropower Company shall, within 10 working days, pay Datang Lease Company a nominal price of RMB1.00 for the purchase of the Lease Assets. Upon receipt of the nominal price paid by Lixianjiang Hydropower Company, Datang Lease Company shall transfer the ownership of the Lease Assets to Lixianjiang Hydropower Company or a third party as designated by Lixianjiang Hydropower Company, and issue an invoice showing the nominal value and a letter of the transfer of ownership of the Lease Assets.

Effective Date

The Finance Lease Contract shall become effective when it and its annex are signed by the legal representatives or the authorized representatives of both parties and affixed with their respective company seal.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE CONTRACT

The financial leasing arrangements under the Finance Lease Contract will help Lixianjiang Hydropower Co. 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 the interest rates of bank financing stays high, and will facilitate the smooth construction and operation of the Company's hydropower project.

The Directors (including the independent non-executive Directors) are of the view that the transaction under the Finance Lease Contract is fair and reasonable and conducted on normal commercial terms and in the ordinary course of business of the Company and is in the interests of the shareholders of the Company as a whole.

INFORMATION OF THE PARTIES

1. The Company was established at December 1994 and is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power related technical services, with its main service areas being in the PRC.
2. CDC was established on 9 March 2003 with registered capital of RMB15,394 million and is principally engaged in the development, investment, construction, operation and management of power energy, organization of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as development and production of power related coal resources.

3. Datang Lease Company is a subsidiary of CDC with registered capital of RMB1,000 million, which legal representative is Su Baoqing and registered address is No.601, Luoyang Road, Dongjiang Bonded Port, Binhai New Area, Tianjin. It is principally engaged in the finance leasing business, leasing business, purchase of leased property in the PRC and from overseas countries, treatment of residual value of and maintenance of leased property, consultation on leasing transactions,
4. Lixianjiang Hydropower Company was established on 8 November 2002 with registered capital of RMB826.68 million and is principally engaged in the construction and operation of hydropower power project in Lixianjiang basin. The equity structure of Lixianjiang Hydropower Company is as follows: 70% of the equity interest of Lixianjiang Hydropower Company is held by Yunnan Datang International Power Company Ltd., a wholly-owned subsidiary of the Company; 20% of the equity interest of Lixianjiang Hydropower Company is held by Beijing State Power Anrong Power Investment Company Limited; 5% of the equity interest of Lixianjiang Hydropower Company is held by Pu'er State-owned Asset Management Co. Ltd; and 5% of the equity interest of Lixianjiang Hydropower Company is held by Honghe Autonomous Prefecture Development Investment Co., Ltd.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold approximately 34.71% of the issued share capital of the Company. Datang Lease Company is a subsidiary of CDC. Accordingly, Datang Lease Company is a connected person of the Company. The Finance Lease Contract and the transaction thereunder constitute a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction under the Finance Lease Contract is more than 0.1% but less than 5%, the transaction contemplated under the Finance Lease Contract is only subject to the reporting and announcement requirements and does not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

BOARD’S APPROVAL

None of the Directors has material interest in the transaction. Those connected Directors, including Liu Shunda, Hu Shengmu and Fang Qinghai, who are, or have been, principal management staff of CDC, have abstained from voting at the Board meeting for the approval of the relevant transaction in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

DEFINITIONS

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

“Board”		the board of directors
“CDC”		China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is a controlling shareholder of the Company
“Lixianjiang Company”	Hydropower	Yunnan Datang International Lixianjiang Hydropower Development Company Limited. For more information, please refer to the section headed “INFORMATION OF THE PARTIES”
“Company”		Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H Shares are listed on the Stock Exchange and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange. For more information, please refer to the section headed “INFORMATION OF THE PARTIES”

“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Datang Lease Company”	Datang Finance Lease Company. For more information, please refer to the section headed “INFORMATION OF THE RELEVANT PARTIES”
“Finance Lease Contract”	the finance lease contract dated 10 April 2013 entered into between Lixianjiang Hydropower Company and Datang Lease Company
“Lease Assets”	the Gelantan water retaining power generation system
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 10 April 2013

*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, Mi Dabin, Ye Yonghui, Li Gengsheng, Li Yanmeng*, Zhao Zunlian*,
Li Hengyuan*, Zhao Jie*, Jiang Guohua**

** Independent non-executive Directors*