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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

CONTINUING CONNECTED TRANSACTIONS

FRAMEWORK AGREEMENT FOR MATERIALS PURCHASE

The Board is pleased to announce that on 3 June 2013, the Company entered into the Framework Agreement for Materials Purchase with China Water Resources and Power, a wholly-owned subsidiary of CDC, in connection with the centralised purchase of machinery, equipment and materials required for project construction through China Water Resources and Power.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC and its subsidiaries hold a total of approximately 34.71% of the issued share capital of the Company. As China Water Resources and Power is a wholly-owned subsidiary of CDC, China Water Resources and Power is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Framework Agreement for Materials Purchase constitute continuing connected transactions of the Company.

As each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Framework Agreement for Materials Purchase is more than 0.1% but less than 5%, such transactions are only subject to the reporting and announcement requirements, but do not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

BACKGROUND

In order to regulate and enhance the management of purchase of project materials and to leverage bulk purchase advantages, the Company and China Water Resources and Power, a subsidiary of CDC, entered into the Framework Agreement for Materials Purchase on 3 June 2013 to centralise the purchase of machinery, equipment and materials required for project construction so as to enhance quality of purchase and lower purchase costs, thereby enhancing the profitability of the Company.

FRAMEWORK AGREEMENT FOR MATERIALS PURCHASE

Date

3 June 2013

Parties

- (i) The Company; and
- (ii) China Water Resources and Power

Subject Matter

1. China Water Resources and Power agreed to conduct centralised purchase of machinery, equipment and materials required for project construction in accordance with the demands of the Company and its subsidiaries for project construction machinery, equipment and materials. The selling prices of such project construction machinery, equipment and materials offered by China Water Resources and Power shall not be higher than the prevailing average market prices of such project construction machinery, equipment and materials.
2. According to the actual demands of the Company and its subsidiaries, China Water Resources and Power will conduct tender of materials purchase in accordance with relevant law and regulations of the State. The process of purchase tender conducted by China Water Resources and Power will be under the supervision of the Company.
3. Pursuant to the tender results, the Company and its subsidiaries will enter into specific purchase contracts with China Water Resources and Power and such purchase contracts shall be bound by the terms and principles of the Framework Agreement for Materials Purchase.

Term

The term of the Framework Agreement for Materials Purchase is from 1 January 2013 to 31 December 2013.

The Company confirms that each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions amount under the Framework Agreement for Materials Purchase for the period from 1 January 2013 to the date of this announcement did not exceed the de minimis threshold set out under Chapter 14A of the Listing Rules.

Fee Standard and Calculation

During the course of centralised purchase, China Water Resources and Power will be responsible for the coordination of tenders invitation, contract signing and the implementation thereafter, delivery, check-and-acceptance and claims submission, etc. As such, China Water Resources and Power will charge a management service fee (the relevant management fee shall be from 3% to 5% of the purchase amount on the purchase contracts). Such management service fee is determined after arm's length negotiation between the parties taking into account the management service fee to be charged for the provision of similar services by other independent cooperating service providers. The relevant management service fee to be charged by China Water Resources and Power shall not be higher than the fee to be charged by China Water Resources and Power for the provision of similar services to other independent third parties and CDC.

China Water Resources and Power will issue a value added-tax invoice comprising the purchase amount and the management service fee to the Company and its subsidiaries.

Annual Cap

Taking into account the requirement of project construction machinery, equipment and materials applicable for centralised purchase which are used in the construction of infrastructure projects of the Company and its subsidiaries for the year ending 31 December 2013, the continuing connected transactions contemplated under the Framework Agreement for Materials Purchase are subject to an annual cap of RMB800 million (including the purchase costs for the project construction machinery, equipment and materials and the management service fees payable to China Water Resources and Power) for the year ending 31 December 2013.

Historical Figures

The transaction amount of materials for project construction purchased by the Company and its subsidiaries from China Water Resources and Power for the year ended 31 December 2012 was approximately RMB106.299 million.

The Company did not carry out any similar transactions with China Water Resources and Power in the year ended 31 December 2011.

INFORMATION OF PARTIES RELATING TO THE FRAMEWORK AGREEMENT FOR MATERIALS PURCHASE

1. The Company was established in 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. The Group's main service areas are in the PRC.
2. CDC was established on 9 March 2003 with registered capital of RMB15.394 billion. It is principally engaged in the development, investment, construction, operation and management of power energy, organisation 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. China Water Resources and Power is a wholly-owned subsidiary of CDC which was established on 6 March 1989. Its core businesses include acting as agent for tenders invitation and import, pipe supplies, project consultation, spare parts, equipment supervision, management of project materials resources, CDM, safety evaluation, and so forth.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT FOR MATERIALS PURCHASE

After taking into account the necessity for lowering purchase costs and successful completion of the Company's infrastructure project materials purchase tasks during the year, the Company entered into the Framework Agreement for Materials Purchase to leverage on the role of China Water Resources and Power as a professional institution in sourcing construction project machinery, equipment and materials, and to leverage on the advantage of bulk purchasing, in order to enhance purchase quality, lower purchase costs, and increase the profitability of the Company.

“China Water Resources and Power”	China National Water Resources & Electric Power Materials & Equipment Corporation
“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
“Director(s)”	the director(s) of the Company
“Framework Agreement for Materials Purchase”	the framework agreement for materials purchase of project construction machinery, equipment and materials entered into between the Company and China Water Resources and Power dated 3 June 2013
“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

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 3 June 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*