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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

CAPITAL INCREASE AGREEMENT AND EQUITY TRANSFER AGREEMENT

1. Capital Increase Agreement

On 30 June 2014, the Company entered into the Capital Increase Agreement with Datang Nuclear Power Company and CDC, pursuant to which the parties agreed that the Company shall inject its 24% of equity interests (valued at approximately RMB132,088,300) in Liaoning Nuclear Power Company into Datang Nuclear Power Company, with a view to increase the amount of capital injection by the Company in Datang Nuclear Power Company, and that CDC shall agree to increase the capital by RMB198,132,500 in proportion to its equity holding in Datang Nuclear Power Company. Upon completion of the capital increase, the Company will have made capital contribution in the total sum of RMB156,088,300 in Datang Nuclear Power Company and its equity holding will remain as 40%, while CDC will have made capital contribution in the total sum of RMB234,132,500 in Datang Nuclear Power Company and its equity holding will remain at 60%.

2. Equity Transfer Agreement

Given the entry into the Capital Increase Agreement, the Company entered into an Equity Transfer Agreement with Datang Nuclear Power Company on 30 June 2014, pursuant to which the Company agreed to transfer the 24% equity interests in Liaoning Nuclear Power Company to Datang Nuclear Power Company for a price of RMB132,088,300.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling Shareholder of the Company, which together with its subsidiaries holds 34.71% of the issued share capital of the Company. Datang Nuclear Power Company is a subsidiary of CDC. Accordingly, CDC and Datang Nuclear Power Company are connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Capital Increase Agreement and the Equity Transfer Agreement constitute connected transactions 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 Capital Increase Agreement and the Equity Transfer Agreement is more than 0.1% but less than 5% and all other applicable percentage ratios are less than 0.1%, the Capital Increase Agreement and the Equity Transfer Agreement are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempted from the approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

I. CAPITAL INCREASE AGREEMENT

Date

30 June 2014

Parties

1. The Company;
2. CDC; and
3. Datang Nuclear Power Company.

Major Terms of the Capital Increase Agreement:

1. Pursuant to the valuation report (Tian Xing Ping Bao Zi (2014) No. 0220) issued by Pan-China Assets Appraisal Co., Ltd. as at the Valuation Benchmark Date, the 24% equity interests of Liaoning Nuclear Power Company held by the Company was valued at RMB132,088,300 by adopting asset-based method; and the parties agreed that the Company shall increase its capital contribution in Datang Nuclear Power Company based on the afore-mentioned valuation of the 24% equity interests of Liaoning Nuclear Power Company, and that CDC shall increase its capital contribution in Datang Nuclear Power Company in proportion to its equity holding (60%) in Datang Nuclear Power Company.
2. The amount of capital increase agreed by the parties was as follows:
 - (1) As at the Valuation Benchmark Date, the paid up capital injected by CDC to Datang Nuclear Power Company totaled RMB36,000,000; and CDC agreed to further increase its capital contribution to Datang Nuclear Power Company in the amount of RMB198,132,500 under the Capital Increase Agreement.
 - (2) As at the Valuation Benchmark Date, the paid up capital injected by the Company to Datang Nuclear Power Company totaled RMB24,000,000; and the Company agreed to further increase its capital contribution to Datang Nuclear Power Company in the amount of RMB132,088,300 by injecting its 24% equity interests of Liaoning Nuclear Power Company.

The shareholding structure of Datang Nuclear Power Company and the amount of capital contribution as well as proportion of shareholding of each shareholders of Datang Nuclear Power Company before and upon completion of the capital increase are set out as below:

Name of Shareholder	Capital injection prior to the completion of capital increase (RMB'000)	Shareholding structure prior to the completion of capital increase	Capital injected for this capital increase (RMB'000)	Capital injected after the capital increase (RMB'000)	Shareholding structure after the capital increase
CDC	36,000	60%	198,132.5	234,132.5	60%
The Company	24,000	40%	132,088.3	156,088.3	40%
Total	60,000	100%	330,220.8	390,220.8	100%

3. Timing of making the capital contribution: (1) CDC shall deposit the capital contribution amount in cash in full to the designated account of Datang Nuclear Power Company after the effective date of the Capital Increase Agreement and within 10 working days of completing the change of shareholders of Liaoning Nuclear Power Company; (2) within 60 working days upon the effective date of the Capital Increase Agreement, the Company shall make capital contribution based on the valuation of 24% equity interests of Liaoning Nuclear Power Company and the holder of the 24% equity interests of Liaoning Nuclear Power Company shall be changed to Datang Nuclear Power Company and the necessary procedures required for the change of shareholders of Liaoning Nuclear Power Company and the capital contribution of Datang Nuclear Power Company shall be completed.
4. In the event that during the period between the Valuation Benchmark Date and the date of change of the shareholder of Liaoning Nuclear Power Company, the Company increases its capital contribution to Liaoning Nuclear Power Company pursuant to the resolution of the general meeting of Liaoning Nuclear Power Company, the specific amount of such capital contribution shall be confirmed by the specialised audit report recognised by both the Company and Datang Nuclear Power Company and settled by Datang Nuclear Power Company as soon as possible after the date of change of the shareholder of Liaoning Nuclear Power Company.
5. Effective Date: the agreement will be made upon signing by the legal representatives or authorised representatives of the parties, and become effective upon affixing of company seals by the parties.

II. EQUITY TRANSFER AGREEMENT

Date

30 June 2014

Parties

1. The Company; and
2. Datang Nuclear Power Company.

Major Terms of the Equity Transfer Agreement:

1. The parties agreed that pursuant to the valuation report issued by Pan-China Assets Appraisal Co., Ltd. as at the valuation date on 31 December 2013, based on the 24% equity interests in Liaoning Nuclear Power Company held by the Company valued at RMB132,088,300 as the price for the equity transfer, the Company shall transfer the 24% equity interests in Liaoning Nuclear Power Company to Datang Nuclear Power Company.
2. Upon completion of the equity transfer, the Company shall no longer directly hold any equity interest in Liaoning Nuclear Power Company; the Company shall increase capital by RMB132,088,300 in Datang Nuclear Power Company; and the Company's total capital contribution to Datang Nuclear Power Company shall be changed to RMB156,088,300;
3. Effective Date: the agreement will become effective upon signing and affixing of company seals by the legal representatives or authorised representatives of the parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT AND THE EQUITY TRANSFER AGREEMENT

The entry and completion of the Capital Increase Agreement and the Equity Transfer Agreement with parties will increase the capital contribution by the Company to Datang Nuclear Power Company with the 24% equity interests of Liaoning Nuclear Power Company, in proportion to that of CDC. It will further reinforce the strength of the principle business of Datang Nuclear Power Company, and fully leverage the professional management and technological advantages of the nuclear power business of Datang Nuclear Power Company for effectively proceeding with the preliminary work on the Liaoning nuclear project, thereby accelerating the smooth implementation of the Company's strategy to "develop nuclear power in a safe and highly efficient manner".

The Directors (including independent non-executive Directors) are of the view that this capital contribution is made on normal commercial terms of the Company and the transaction is fair and reasonable, and is in the interest of the Shareholders of the Company as a whole.

APPROVAL BY THE BOARD

None of the Directors have any material interest in the transaction. Those connected Directors, including Chen Jinhang, Hu Shengmu and Fang Qinghai, all being key management staff of CDC, have abstained from voting at the Board meeting for approval of the relevant transaction in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

INFORMATION OF THE RELEVANT PARTIES

Information about the Company

The Company 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.

Information about CDC

CDC was established on 9 March 2003 with a registered capital of RMB18.009 billion. It 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.

Information about Datang Nuclear Power Company

Datang Nuclear Power Company was established on 17 October 2013 with a registered capital of RMB200,000,000. It is principally engaged in technological development, project investment, technical services and management of nuclear power and related areas. It is owned as to 60% by CDC and 40% by the Company.

Information about Liaoning Nuclear Power Company

Established in March 2009, Liaoning Nuclear Power Company is planned to consist of 6×1,000MW nuclear generating units. Phase 1 of the construction is planned to consist of 2×1,000MW nuclear generating units which is on preliminary planning stage. Equity holders and the proportion of capital contribution to Liaoning Nuclear Power Company made by each party were as follow: China National Nuclear Power Co., Ltd accounts for 50%. The Company accounts for 24%. Jiangsu Guoxin Investment Group Limited accounts for 12%. Zhejiang Zheneng Electric Power Co., Ltd accounts for 10%. ZOC Investment Co., Ltd. accounts for 4%.

Liaoning Nuclear Power Company did not have any net profits (both before and after taxation) for the two financial years ended 31 December 2012 and 31 December 2013.

In 2014, the Company entrusted Ruihua Certified Public Accountants and Pan-China Assets Appraisal Co., Ltd to conduct financial audit and asset valuation on Liaoning Nuclear Power Company as at 31 December 2013. Financial auditing results: As at Valuation Benchmark Date on 31 December 2013, Liaoning Nuclear Power Company's total assets were RMB3,392,147,500; Total liabilities were RMB2,877,122,700; Net assets were RMB515,024,800. Valuation: As at Valuation Benchmark Date on 31 December 2013, the assets of Liaoning Nuclear Power Company was valued at RMB3,427,490,800 by adopting asset-based method; Total liabilities were RMB2,877,122,700; Net assets were RMB550,368,100, which is RMB35,343,400 or 6.86% higher than the audited book value of net assets of RMB515,024,800.

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DEFINITIONS

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

“Board”	the board of Directors
“Capital Increase Agreement”	the “Capital Increase Agreement of China Datang Corporation Nuclear Power Co., Ltd.” entered into between the Company, CDC and Datang Nuclear Power Company on 30 June 2014 in relation to the capital increase to Datang Nuclear Power Company
“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is the controlling Shareholder of the Company under the Listing Rules
“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
“Datang Nuclear Power Company”	China Datang Corporation Nuclear Power Co., Limited, details of which are set out in the section entitled “Information of the Relevant Parties”
“Directors”	the director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement entered into between the Company and Datang Nuclear Power Company on 30 June 2014
“Liaoning Nuclear Power Company”	CNNC Liaoning Nuclear Power Co., Ltd., as at the date of this announcement, the Company holds 24% of its equity interests
“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 shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Benchmark Date”	31 December 2013
“%”	percent

By Order of the Board

Zhou Gang

Secretary to the Board

Beijing, the PRC, 2 July 2014

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

*Chen Jinhang, Hu Shengmu, Wu Jing, Fang Qinghai, Zhou Gang,
Li Gengsheng, Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang,
Dong Heyi*, Ye Yansheng*, Li Hengyuan*, Zhao Jie*, Jiang Guohua**

** Independent non-executive Directors*