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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

SUBSTITUTIVE POWER GENERATION FRAMEWORK AGREEMENT

On 27 February 2015, the Company entered into the Substitutive Power Generation Framework Agreement with CDC, pursuant to which both parties agreed that their respective subsidiaries shall conduct substitutive power generation transactions among themselves in Beijing, Tianjin, Tangshan, Jiangsu and Shanxi regions of the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 34.71% of the issued share capital of the Company. Pursuant to Chapter 14A of the Listing Rules, CDC is a connected person of the Company, and the transactions under the Substitutive Power Generation Framework Agreement constitute continuing connected transactions of the Company.

Since each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Substitutive Power Generation Framework Agreement is higher than 0.1% but lower than 5%, these continuing connected transactions are only subject to the annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Based on the documents "Opinions on Accelerating the Closure of Small Coal-fired Power Generating Units (NDRC [2007] No. 2) and "Pilot Measures of Coordinating Power Generation for Energy Saving" (NDRC General Office [2007] No. 53), and adhering to the principles of optimising the power generation structure and putting the advantages of large generating units in terms of energy saving and high efficiency into full play, CDC and the Company entered into the Substitutive Power Generation Framework Agreement. Both parties agreed that their respective subsidiaries shall conduct substitutive power generation transactions among themselves in Beijing, Tianjin, Tangshan, Jiangsu and Shanxi regions of the PRC.

SUBSTITUTIVE POWER GENERATION FRAMEWORK AGREEMENT

Date

27 February 2015

Parties

1. The Company; and
2. CDC.

Major Terms

1. CDC and the Company agreed that their subsidiaries shall conduct substitutive power generation transactions among themselves in Beijing, Tianjin, Tangshan, Jiangsu and Shanxi regions of the PRC.
2. In consideration of actual changes in the market conditions and the operational status of the generating units, the parties and relevant subsidiaries shall, pursuant to the requirements under the implementation rules governing the management of substitutive power generation on the power grids where these companies are located, determine the price of the transactions by negotiations.

To ensure the return of the benefits of substitutive power generation, the professional departments of the Company will actively collect market intelligence, analyse market trends, and be proactive in negotiations to secure favorable transaction prices.

3. The parties agreed that on the premises of complying with the binding conditions on the safety of the power grids and balance of power within the power grids by the power grid companies, the parties or their subsidiaries shall negotiate and arrange the transfer plan for power generation quotas. The power grid companies, relevant power generation companies of CDC and relevant power generation companies of the Company shall enter into specific substitutive power generation agreements, and the power generation volume and transaction price shall be settled as determined in such agreements.

The specific substitutive power generation agreements are subject to the terms of the Substitutive Power Generation Framework Agreement.

To the best knowledge, information and belief of the Directors upon making reasonable enquiries, the power grid companies and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Term of the Agreement

The Substitutive Power Generation Framework Agreement is valid for a period commencing from 1 January 2015 and ending on 31 December 2017.

The Company confirms that the transaction amounts under the Substitutive Power Generation Framework Agreement the period from 1 January 2015 to the date of this announcement is below the de minimis threshold under Chapter 14A of the Listing Rules.

Annual Cap

The annual caps for the aggregate transaction amounts under the Substitutive Power Generation Framework Agreement for the three years ending 31 December 2015, 31 December 2016 and 31 December 2017 are anticipated to be not exceeding RMB800 million per annum. Such annual caps are determined with reference to: (1) the power demand of the market; (2) the operational status of the power generation units of the Company; and (3) the anticipated on-grid tariffs.

According to the expected volume of energy conservation and emissions reduction, expansion in scale of substitutive power generation by replacing small existing capacity units with large capacity units for the three years ending 31 December 2015, 31 December 2016 and 31 December 2017, and negotiation results of both parties, it is expected that the annual caps for transactions amounts with CDC for substitutive power generation for the three years ending 31 December 2015, 31 December 2016 and 31 December 2017 are substantially higher than the historical transaction amount.

Historical Transaction Amounts

The transaction amount for substitutive power generation between the Company and CDC as of the year ended 31 December 2014 was approximately RMB150.06 million.

The transaction amount for substitutive power generation between the Company and CDC for the year ended 31 December 2013 was approximately RMB82 million.

The Company and CDC did not engage in transaction for substitutive power generation for the year ended 31 December 2012.

INFORMATION RELATING TO THE PARTIES OF THE SUBSTITUTIVE POWER GENERATION FRAMEWORK AGREEMENT

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 Company's main service areas are in the PRC.
2. CDC was established on 9 March 2003 and has a registered capital of RMB18.009 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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSTITUTIVE POWER GENERATION FRAMEWORK AGREEMENT

Pursuant to the relevant national energy conservation and emissions reduction policies as well as the relevant regulations on substitutive power generation, the respective power plants or the subsidiaries of the Company and CDC take into account the actual changes in the market condition and the operational status of the generating units when determining the amount and other details of substitutive power generation for each year in accordance with the implementation rules governing substitutive power generation on the area where such power plants or subsidiaries are located. Through the centralised coordination carried out by various regional government departments or the management platform of power grid companies governing substitutive power generation transactions, the relevant power plants or subsidiaries of the Company and the relevant power plants or subsidiaries of CDC will enter into specific substitutive power generation agreements with power grid companies (or the Commission of Economy and Informatisation of the Government) for conducting substitutive power generation transactions.

The Company is of the view that provided that safe operation is assured, the implementation of substitutive power generation between the relevant power plants or subsidiaries of the Company and the relevant power plants or subsidiaries of CDC are able to fully leverage on the advantages of large generating units with high efficiency, low energy consumption and low emissions to improve the Company's profit margins. The relevant transactions are able to achieve the purpose of a win-win situation for both parties, and are in the interests of the Company's shareholders and the interests of the parties to the transaction as a whole.

The Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions under the Substitutive Power Generation Framework Agreement are conducted in the ordinary and usual course of business of the Company, and are fair and reasonable and are in the interest of the Company and the shareholders as a whole.

LISTING RULES IMPLICATIONS

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Since each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions under the Substitutive Power Generation Framework Agreement is higher than 0.1% but lower than 5%, these continuing connected transactions are only subject to the annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

None of the Directors has material interest in the transactions under the Substitutive Power Generation Framework Agreement. Connected Directors, namely Chen Jinhang, Hu Shengmu and Liang Yongpan, being the key management of CDC, have abstained from voting for this resolution at the relevant Board meeting pursuant to the listing rules of the Shanghai Stock Exchange.

DEFINITIONS

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

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| “Substitutive Power Generation Framework Agreement” | The substitutive power generation framework agreement dated 27 February 2015 entered into between the Company and CDC |
| “Board” | the board of Directors |
| “CDC” | China Datang Corporation (中國大唐集團公司), a state-owned enterprise established under the laws of the PRC and is the controlling shareholder of the Company 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. (大唐國際發電有股份有限公司), 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 |
| “Directors” | the director(s) of the Company |
| “Listing Rules” | The Rules Governing the Listing of Securities on The Stock Exchange |
| “Parties” | the Company and CDC |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

“Substitutive power generation”

contracted power generation quota to be purchased or sold between two or more power producers by way of trading of power generating rights under the principles of equality and voluntariness and the premise that the benefit of electricity consumers will not be violated, in order to achieve completion of the power generation quota plan by the purchaser (the party who offers substitution) instead of the disposer (the party who accepts substitution). The traded power generation volume is equivalent to the substituted power generation volume. By trading of power generation quota, generating units with high cost of power generation will be encouraged and driven to dispose of its contracted power generation quota in part or in whole and enable the generating units with low cost of power generation to replace the disposer to generate power, in order to achieve the objectives of optimisation of power supply structure and energy conservation and emissions reduction

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 27 February 2015

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

Chen Jinhang, Hu Shengmu, Wu Jing, Liang Yongpan, Zhou Gang, Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang, Yang Wenchun, Dong Heyi, Ye Yansheng*, Zhao Jie*, Jiang Guohua*, Feng Genfu**

** Independent non-executive Directors*