

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

SUBSTITUTIVE POWER GENERATION AGREEMENT

On 27 November 2015, Gaojing Thermal Power Plant and Tuoketuo No.2 Power Generation Company of the Company entered into the Substitutive Power Generation Agreement with Beijing Electric Power Corporation of State Grid Corporation of China and North China Division of State Grid Corporation of China, pursuant to which the parties agreed to conduct substitutive power generation transactions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 34.77% of the issued share capital of the Company. Since Tuoketuo No.2 Power Generation Company is a controlled subsidiary of the Company and 20% of its equity interest are held by CDC, Tuoketuo No.2 Power Generation Company is a connected person of the Company, and the transaction under the Substitutive Power Generation Agreement constitutes connected transaction of the Company.

Since 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 Substitutive Power Generation Agreement is or are higher than 0.1% but lower than 5%, the connected transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement.

SUBSTITUTIVE POWER GENERATION AGREEMENT

Date

27 November 2015

Parties

Gaojing Thermal Power Plant (“Party A”), Tuoketuo No.2 Power Generation Company (“Party B”), Beijing Electric Power Corporation of State Grid Corporation of China (“Party C”) and North China Division of State Grid Corporation of China (“Party D”).

To the best of the Directors’ knowledge, information and belief, each of Beijing Electric Power Corporation of State Grid Corporation of China and North China Division of State Grid Corporation of China and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Major Terms

1. Tuoketuo No.2 Power Generation Company will substitute Gaojing Thermal Power Plant for providing part of the planned power generation volume during the term of the agreement;
2. Gaojing Thermal Power Plant will pay a compensation fee to Tuoketuo No.2 Power Generation Company for the substitutive power generation;
3. Both Party A and Party B agreed that their planned monthly power generation volumes will be arranged by Party C and Party D based on the monthly power generation plan, as well as the balance between safety conditions and power generation volume of the power grids.

Term of the Agreement

The Substitutive Power Generation Agreement is valid for the period commencing from the date of the agreement and ending on 31 December 2015.

Transaction Amount

The transaction amount under the Substitutive Power Generation Agreement is estimated to be RMB56.1585 million which is determined according to the confirmed plan of substitutive power generation volumes and settlement of electricity fee.

INFORMATION RELATING TO THE PARTIES OF THE SUBSTITUTIVE POWER GENERATION AGREEMENT

1. The Company is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the overhaul and debugging of power equipment and power related technical services. The Company’s main service areas are in the PRC.
2. Gaojing Thermal Power Plant: Gaojing Thermal Power Plant of the Company, has a gas-fired power generation unit with a total installed capacity of 1,380 MW in operation. In response to the nation’s policies of energy saving and emission-reduction, Gaojing Thermal Power Plant closed six coal-fired 100MW units in July 2014.

3. Tuoketuo No.2 Power Generation Company: a controlled subsidiary of the Company with a registered capital of RMB500 million. Its shareholding structure is as follows: 40% of its equity interest are held by the Company, 25% of its equity interest are held by Beijing Jingneng Power Co., Ltd., 20% of its equity interest are held by CDC and 15% of its equity interest are held by Inner Mongolia Mengdian Huaneng Thermal Power Corporation Ltd.
4. Beijing Electric Power Corporation of State Grid Corporation of China: responsible for the construction and operation of the Beijing Power Grid, and is principally engaged in the supply and sale of electricity to all customers in Beijing.
5. North China Division of the State Grid Corporation of China: responsible for the operation and management of the North China Power Grid; participate in the investment, construction and operation of the projects for power transmission and transformation as well as peak-shaving and frequency modulation of power sources within the North China Power Grid; management of the North China Power Dispatching and Trading Center; participate in the trading of power generation volume between the North China Power Grid and other grids; and carry out dispatch management for the North China Power Grid according to the law.

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

Pursuant to the relevant national energy conservation and emissions reduction and closure of coal-fired power plants policies as well as the relevant regulations on substitutive power generation, provided that safe operation is assured, substitutive power generation by means of the internal generating units of the Company is 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 and maximize its overall benefits, which 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 connected transaction under the Substitutive Power Generation Agreement is conducted in the ordinary and usual course of business of the Company, and is fair and reasonable and are in the interest of the Company and the shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 34.77% of the issued share capital of the Company. Since Tuoketuo No.2 Power Generation Company is a controlled subsidiary of the Company and 20% of its equity interest are held by CDC, Tuoketuo No.2 Power Generation Company is a connected person of the Company, and the transactions under the Substitutive Power Generation Agreement constitute connected transactions of the Company.

Since 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 Substitutive Power Generation Agreement is or are higher than 0.1% but lower than 5%, the connected transaction is only subject to the annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

None of the Directors has a material interest in the transaction under the Substitutive Power Generation Agreement. Connected Directors, namely Chen Jinhang, Hu Shengmu and Liang Yongpan, being the key management members of CDC, have abstained from voting on 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:

“Board”	the board of Directors
“CDC”	China Datang Corporation, 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 34.77% 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
“Directors”	the director(s) of the Company
“Gaojing Thermal Power Plant”	Beijing Gaojing Thermal Power Plant of Datang International Power Generation Co., Ltd., a power plant under the direct management of the Company, details of which are set out in the section headed “Information relating to the Parties of the Substitutive Power Generation Agreement”.
“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

“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 balance between safety conditions and power generation volume of the grids will not be violated, in order to accomplish 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 costs 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 costs of power generation to replace the disposer to generate power, in order to achieve the objectives of optimizing power supply structure as well as reducing energy consumption and emissions.

“Substitutive Power Generation Agreement”

the substitutive power generation agreement involving power generation in the Beijing-Tianjin-Tangshan power grid for year 2015 dated 27 November 2015 entered into between Gaojing Thermal Power Plant and Tuoketuo No.2 Power Generation Company, Beijing Electric Power Corporation of State Grid Corporation of China and North China Division of State Grid Corporation of China.

“Tuoketuo No.2 Power Generation Company”

Inner Mongolia Datang International Tuoketuo No.2 Power Generation Company, a controlled subsidiary of the Company, details of which are set out in the section headed “Information relating to the Parties of the Substitutive Power Generation Agreement”.

By Order of the Board
Ying Xuejun
Acting Company Secretary

Beijing, the PRC, 27 November 2015

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

Chen Jinhang, Hu Shengmu, Wu Jing, Liang Yongpan, Ying Xuejun, Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang, Yang Wenchun, Jiang Guohua, Feng Genfu*, Luo Zhongwei*, Liu Huangsong* and Jiang Fuxiu **

** Independent non-executive Directors*