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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**

#### **SALE AND PURCHASE AGREEMENT OF CHEMICAL PRODUCTS AND MATERIALS**

On 25 April 2014, Energy and Chemical Marketing Company, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement of Chemical Products and Materials with certain subsidiaries of the Company (for details of which please refer to the Announcement). Pursuant to the agreement, upon expiration of the term of the agreement where no change is to be made by the parties to the terms of the agreement and subject to re-compliance with the reporting, announcement and independent shareholders' approval requirements (as the case maybe) under Chapter 14A of the Listing Rules, it shall be extended automatically. On 22 December 2015, the Company convened the twenty-ninth meeting of the eighth session of the Board where the "Resolution on Continuing Connected Transactions of the Company's Sales and Purchase of Coal Chemical Products for 2016" was considered and approved. Since no change to the terms and conditions of the agreement is to be made by the parties, the parties agreed to extend the term of the Sale and Purchase Agreement of Chemical Products and Materials for the implementation of continuing connected transactions for a further term of one year as set out below:

1. Purchase of natural gas and Chemical Products by Energy and Chemical Marketing Company from, and sale of Chemical Materials by Energy and Chemical Marketing Company to, Keqi Coal-based Gas Company
  - (1) Energy and Chemical Marketing Company extended the term of the Framework Agreement of Sale of Natural Gas with Keqi Coal-based Gas Company, pursuant to which, Energy and Chemical Marketing Company agreed to purchase natural gas from Keqi Coal-based Gas Company with an annual cap for transaction amount of approximately RMB3.075 billion for a term commencing from 1 January 2016 to 31 December 2016.

(2) Energy and Chemical Marketing Company extended the term of the Sale and Purchase Contract of Chemical Products (Keqi) with Keqi Coal-based Gas Company; pursuant to which, Energy and Chemical Marketing Company agreed to purchase Chemical Products from Keqi Coal-based Gas Company with an annual cap for transaction amount of approximately RMB296 million for a term commencing from 1 January 2016 to 31 December 2016.

(3) Energy and Chemical Marketing Company extended the term of the Procurement Contract of Chemical Products (Keqi) with Keqi Coal-based Gas Company; pursuant to which, Energy and Chemical Marketing Company agreed to sell Chemical Materials to Keqi Coal-based Gas Company with an annual cap for transaction amount of approximately RMB125 million for a term commencing from 1 January 2016 to 31 December 2016.

2. Purchase of Chemical Products by Energy and Chemical Marketing Company from, and sale of Chemical Materials by Energy and Chemical Marketing Company to, Duolun Coal Chemical Company

Energy and Chemical Marketing Company extended the term of the Sale and Purchase Contract of Chemical Products (Duolun) with Duolun Coal Chemical Company, pursuant to which, (i) Energy and Chemical Marketing Company agreed to purchase Chemical Products from Duolun Coal Chemical Company with an annual cap for transaction amount of approximately RMB3.7 billion for a term commencing from 1 January 2016 to 31 December 2016; (ii) Energy and Chemical Marketing Company agreed to sell Chemical Materials to Duolun Coal Chemical Company with an annual cap for transaction amount of approximately RMB1.047 billion for a term commencing from 1 January 2016 to 31 December 2016.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CDC is the controlling Shareholder of the Company, which together with its subsidiaries holds 34.77% of the issued share capital of the Company. Since CDC holds 10% or more of the equity interests in each of Keqi Coal-based Gas Company and Duolun Coal Chemical Company, which are subsidiaries of the Company, such subsidiaries are therefore connected persons of the Company. The transactions under the Sale and Purchase Agreement of Chemical Products and Materials constitute continuing connected transactions of the Company.

Since (i) one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated transaction amount for purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas and the Sale and Purchase Contract of Chemical Products (Keqi); and (ii) one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction amount for purchase of Chemical Products under the Sale and Purchase Contract of Chemical Products (Duolun) are all higher than 5%, the transactions contemplated in (i) and (ii) above are subject to the reporting and announcement requirements, as well as the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction amount for the sale of Chemical Materials under each of the Procurement Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun) is higher than 0.1% but lower than 5%, the transactions for the sale of Chemical Materials under above-mentioned contracts contemplated thereunder are subject to the reporting and announcement requirements, but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will disclose the relevant details in the next annual report and accounts of the Company in accordance with the relevant requirements as set out in Chapter 14A of the Listing Rules. A circular containing a letter from the independent board committee of the Company and a letter from the independent financial advisor, both advising the terms of the purchase of natural gas or Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun), will be dispatched to shareholders on or before 14 January 2016.

## **BACKGROUND**

On 25 April 2014, Energy and Chemical Marketing Company, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement of Chemical Products and Materials with certain subsidiaries of the Company (details of which please refer to the Announcement). Pursuant to the agreement, upon expiration of the term of the agreement where no change is to be made by the parties to the terms of the agreement and subject to re-compliance with the reporting, announcement and independent shareholders' approval requirements (as the case maybe) under Chapter 14A of the Listing Rules, it shall be extended automatically. On 22 December 2015, the Company convened the twenty-ninth meeting of the eighth session of the Board where the "Resolution on Continuing Connected Transactions of the Company's Sales and Purchase of Coal Chemical Products for 2016" was considered and approved. Since no change to the terms and conditions of the agreement is to be made by the parties, the parties agreed to extend the term of the Sale and Purchase Agreement of Chemical Products and Materials for the implementation of continuing connected transactions for a further term of one year commencing from 1 January 2016 to 31 December 2016.

# **PURCHASE OF NATURAL GAS AND CHEMICAL PRODUCTS FROM KEQI COAL-BASED GAS COMPANY BY ENERGY AND CHEMICAL MARKETING COMPANY**

## **1. Framework Agreement of Sale of Natural Gas**

### **Agreement Date**

25 April 2014

### **Parties to Agreement**

Energy and Chemical Marketing Company and Keqi Coal-based Gas Company

### **Major terms**

Subject Matter: Energy and Chemical Marketing Company agreed to purchase natural gas produced by Keqi Coal-based Gas Company within the term of the agreement.

Extended Term: From 1 January 2016 to 31 December 2016.

The other major terms of the agreement were set out in the Announcement.

### **Annual Cap**

The annual cap of transactions under the Framework Agreement of Sale of Natural Gas for the year ending 31 December 2016 is expected to be approximately RMB3.075 billion which is based on: (i) the volume of natural gas expected to be produced and sold by Keqi Coal-based Gas Company to Energy and Chemical Marketing Company for the year ending 31 December 2016; and (ii) the price of natural gas as provided in the agreement.

Based on the anticipated production capacity of natural gas of Keqi Coal-based Gas Company for the year ending 31 December 2016, estimated market demand and the negotiation between both parties, it is expected that the annual cap for the year ending 31 December 2016 would materially increase as compared with the historical transaction amount.

### **Historical Transaction Amounts**

From 1 January 2015 to 31 October 2015, the amount of purchase of natural gas by Energy and Chemical Marketing Company from Keqi Coal-based Gas Company was RMB1.014 billion.

For the year ended 31 December 2014, the amount of purchase of natural gas by Energy and Chemical Marketing Company from Keqi Coal-based Gas Company was RMB963 million.

For the year ended 31 December 2013, the amount of purchase of natural gas by Energy and Chemical Marketing Company from Keqi Coal-based Gas Company was below the de minimis threshold under Chapter 14A of the Listing Rules.

## **2. Sale and Purchase Contract of Chemical Products (Keqi)**

### **Agreement Date**

25 April 2014

### **Parties to Agreement**

Energy and Chemical Marketing Company and Keqi Coal-based Gas Company

### **Major terms**

Subject Matter: Energy and Chemical Marketing Company agreed to purchase Chemical Products produced by Keqi Coal-based Gas Company within the term of the agreement.

Extended Term: From 1 January 2016 to 31 December 2016.

The other major terms of the agreement were set out in the Announcement.

### **Annual Cap**

The annual cap of transaction amount under the Sale and Purchase Contract of Chemical Products (Keqi) for the year ending 31 December 2016 is expected to be approximately RMB296 million which is based on: (i) the volume of Chemical Products expected to be produced and sold by Keqi Coal-based Gas Company to Energy and Chemical Marketing Company for the year ending 31 December 2016; and (ii) the expected price of Chemical Products.

Based on the anticipated production capacity of Chemical Products of Keqi Coal-based Gas Company for the year ending 31 December 2016, estimated market demand and the negotiation between both parties, it is expected that the annual cap for the year ending 31 December 2016 would materially increase as compared with the historical transaction amount.

### **Historical Transaction Amounts**

From 1 January 2015 to 31 October 2015, the amount of purchase of Chemical Products by Energy and Chemical Marketing Company from Keqi Coal-based Gas Company was RMB126.39 million.

For the year ended 31 December 2014, the amount of purchase of Chemical Products by Energy and Chemical Marketing Company from Keqi Coal-based Gas Company was RMB162 million.

For the year ended 31 December 2013, the transaction amount for the purchase of Chemical Products by Energy and Chemical Marketing Company from Keqi Coal-based Gas Company was below the de minimis threshold under Chapter 14A of the Listing Rules.

# **SALE OF CHEMICAL MATERIALS BY ENERGY AND CHEMICAL MARKETING COMPANY TO KEQI COAL-BASED GAS COMPANY**

## **Procurement Contract of Chemical Products (Keqi)**

### **Agreement Date**

25 April 2014

### **Parties to Agreement**

Energy and Chemical Marketing Company and Keqi Coal-based Gas Company

### **Major terms**

Subject Matter: Energy and Chemical Marketing Company agreed to sell Chemical Materials to Keqi Coal-based Gas Company during the term of the contract.

During the term of the contract, based on their actual needs, Keqi Coal-based Gas Company will from time to time send letters to Energy and Chemical Marketing Company to set out the specific requirements of Chemical Materials needed. Pursuant to the requirements, Energy and Chemical Marketing Company will sign specific procurement contracts with the supplier company after price inquiry (“Specific Procurement Contracts”).

Extended Term: From 1 January 2016 to 31 December 2016.

The other major terms of the agreement were set out in the Announcement.

### **Annual Cap**

The annual cap of transactions under the Procurement Contract of Chemical Products (Keqi) for the year ending 31 December 2016 is expected to be RMB125 million which is based on: (i) the anticipated volume of entrusted procurement of Chemical Materials by Energy and Chemical Marketing Company for Keqi Coal-based Gas Company for the year ending 31 December 2016; and (ii) the estimated price of Chemical Materials.

Based on the anticipated demand of Chemical Materials by Keqi Coal-based Gas Company for the year ending 31 December 2016 and the negotiation between both parties, it is expected that the annual cap for the year ending 31 December 2016 would materially increase as compared with the historical transaction amount.

## **Historical Transaction Amounts**

From 1 January 2015 to 31 October 2015, the transaction amount for the sale of Chemical Materials by Energy and Chemical Marketing Company to Keqi Coal-based Gas Company was RMB20.87 million.

For the year ended 31 December 2014, the transaction amount for the sale of Chemical Materials by Energy and Chemical Marketing Company to Keqi Coal-based Gas Company was RMB30.97 million.

No transaction in respect of sale of Chemical Material has been made between Energy and Chemical Marketing Company and Keqi Coal-based Gas Company for the year ending 31 December 2013.

## **PURCHASE OF CHEMICAL PRODUCTS PRODUCED BY DUOLUN COAL CHEMICAL COMPANY BY ENERGY AND CHEMICAL MARKETING COMPANY AND SALE OF CHEMICAL MATERIALS BY ENERGY AND CHEMICAL MARKETING COMPANY TO DUOLUN COAL CHEMICAL COMPANY**

### **Sale and Purchase Contract of Chemical Products (Duolun)**

#### **Agreement Date**

25 April 2014

#### **Parties to Agreement**

Energy and Chemical Marketing Company and Duolun Coal Chemical Company

#### **Major terms**

Subject Matter:

- (i) Energy and Chemical Marketing Company agreed to purchase Chemical Products produced by Duolun Coal Chemical Company during the term of contract.
- (ii) Energy and Chemical Marketing Company agreed to sell Chemical Materials to Duolun Coal Chemical Company during the term of contract.

During the term of the contract, based on their actual needs, Duolun Coal Chemical Company will from time to time send letters to Energy and Chemical Marketing Company to set out the specific requirements of Chemical Materials needed. Pursuant to the requirements, Energy and Chemical Marketing Company will sign specific procurement contracts with the supplier company after price inquiry.

Extended Term: From 1 January 2016 to 31 December 2016.

The other major terms of the agreement were set out in the Announcement.

### **Annual Cap**

The annual cap of transactions in respect of purchase of Chemical Products and sale of Chemical Materials, both under the Sale and Purchase Contract of Chemical Products (Duolun), for the year ending 31 December 2016 is expected to be approximately RMB3.7 billion and RMB1.047 billion respectively which is based on: (i) the anticipated volume of Chemical Products to be produced and sold by Duolun Coal Chemical Company to Energy and Chemical Marketing Company for the year ending 31 December 2016; (ii) the anticipated volume of the entrusted procurement of Chemical Materials by Energy and Chemical Marketing Company; and (iii) the estimated price of Chemical Products and Chemical Materials.

Based on the anticipated production capacity of Chemical Products of Duolun Coal Chemical Company for the year ending 31 December 2016, the demand for Chemical Materials and the negotiation between both parties, it is expected that the annual cap for the year ending 31 December 2016 would materially increase as compared with the historical transaction amount.

### **Historical Transaction Amounts**

From 1 January 2015 to 31 October 2015, the transaction amount for the purchase of Chemical Products by Energy and Chemical Marketing Company from Duolun Coal Chemical Company was RMB723.75 million; the transaction amount for the sale of Chemical Products by Energy and Chemical Marketing Company to Duolun Coal Chemical Company was RMB6.52 million.

For the year ending 31 December 2014, the transaction amount for the purchase of Chemical Products by Energy and Chemical Marketing Company from Duolun Coal Chemical Company was RMB1.418 billion; the transaction amount for the sale of Chemical Products by Energy and Chemical Marketing Company to Duolun Coal Chemical Company was RMB3 million.

No purchase of Chemical Products and no sale of Chemical Materials were made by Energy and Chemical Marketing Company with Duolun Coal Chemical Company for the year ending 31 December 2013.

### **PROCEDURES FOR DETERMINATION OF PRICING POLICY**

The transaction prices of relevant products under the Sale and Purchase Agreement of Chemical Products and Materials would continue to be determined by the procedures for determination of pricing policy in 2014. For details, please refer to the Announcement.



## **REASONS FOR AND BENEFITS OF EXTENDING THE TERM OF THE SALE AND PURCHASE AGREEMENT OF CHEMICAL PRODUCTS AND MATERIALS**

The extension of the term of the Sale and Purchase Agreement of Chemical Products and Materials was mainly in consideration that the sale of Chemical Materials to and the purchase of natural gas and Chemical Products by Energy and Chemical Marketing Company to and from Keqi Coal-based Gas Company and Duolun Coal Chemical Company could secure stable material supply and product sales channels for the coal chemical enterprises under the Company as well as better guarantee the sustainability of ordinary safe production and operation.

The Directors (including the views of the independent non-executive Directors) are still of the view that the terms in respect of the sale of Chemical Materials under the Procurement Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun) are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole.

The Directors (excluding the views of the independent non-executive Directors, whose views will be contained in the circular after considering the views of independent financial adviser) are still of the view that the terms in respect of the purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun), are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

None of the Directors has material interest in the transactions under Sale and Purchase Agreement of Chemical Products and Materials. In accordance with the requirements of the Listing Rules of the Shanghai Stock Exchange, those connected Directors, including Chen Jinhang, Hu Shengmu and Liang Yongpan, have abstained from voting for the above-mentioned resolutions; Connected Director Mr. Yang Wenchun has abstained from voting for entering into the Sale and Purchase Contract of Chemical Products (Keqi), Procurement Contract of Chemical Products (Keqi) and the Framework Agreement of Sale of Natural Gas and the transactions contemplated thereunder.

## **INFORMATION ON THE PARTIES TO THE AGREEMENTS**

1. The Company is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair, maintenance and tuning 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 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.

3. Energy and Chemical Marketing Company is a wholly-owned subsidiary of Datang Energy and Chemical Company Limited which is also a wholly-owned subsidiary of the Company. It was duly established in May 2009 with a registered capital of RMB50 million. Its scope of business includes the import and export of organic and inorganic chemical products and products and technologies under dealership and developed in-house.
4. Duolun Coal Chemical Company was duly incorporated on 19 August 2009 with a registered capital of RMB4,050 million. Duolun Coal Chemical Company is principally responsible for the construction and operation of the coal-based olefin project with an annual output of 460,000 tonnes. The shareholding structure of Duolun Coal Chemical Company is as follow: Datang Energy and Chemical Company Limited, a wholly-owned subsidiary of the Company, holds 60% of its equity interests, and CDC holds 40% of its equity interests.
5. Keqi Coal-based Gas Company was duly incorporated on 10 December 2010 with a registered capital of RMB5,090.974 million. It is mainly responsible for the production and sale of coal-based natural gas, tar, naphtha, crude phenol, sulphur and thiamine, technical consultation of coal-based chemicals and equipment inspection. The shareholding structure of Keqi Coal-based Gas Company is as follow: Datang Energy and Chemical Company Limited, a wholly-owned subsidiary of the Company, Beijing Gas Group Co., Ltd., CDC and Tianjin Jinneng Investment Company, holds 51%, 34%, 10% and 5% of its equity interests, respectively.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CDC is the controlling Shareholder of the Company, which together with its subsidiaries holds 34.77% of the issued share capital of the Company. Since CDC holds 10% or more of the equity interests in each of Keqi Coal-based Gas Company and Duolun Coal Chemical Company, which are subsidiaries of the Company, such subsidiaries are therefore connected persons of the Company. The transactions under the Sale and Purchase Agreement of Chemical Products and Materials constitute continuing connected transactions of the Company.

Since (i) one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated transaction amount for purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas and the Sale and Purchase Contract of Chemical Products (Keqi); and (ii) one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction amount for purchase of Chemical Products under the Sale and Purchase Contract of Chemical Products (Duolun) are all higher than 5%, the transactions contemplated in (i) and (ii) above are subject to the reporting and announcement requirements, as well as the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction amount for the sale of Chemical Materials under each of the Procurement Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun) are higher than 0.1% but lower than 5%, the transactions for the sale of Chemical Materials under above-mentioned contracts contemplated thereunder are subject to the reporting and announcement requirements, but are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will disclose the relevant details in the next annual report and accounts of the Company in accordance with the relevant requirements as set out in Chapter 14A of the Listing Rules. A circular containing a letter from the independent board committee of the Company and a letter from the independent financial advisor, both advising the terms of the purchase of natural gas or Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun), will be dispatched to shareholders on or before 14 January 2016.

Any Shareholder with a material interest in the transactions and its associates will abstain from voting at the General Meeting to be held by the Company, to, including but not limited to, consider and approve the purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun).

As at the date of this announcement, CDC together with its subsidiaries holds 34.77% of the issued share capital of the Company. Since CDC holds certain equity interests in Keqi Coal-based Gas Company and Duolun Coal Chemical Company, which are subsidiaries of the Company, therefore, CDC and its associates shall abstain from voting at the General Meeting to approve the purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun) in accordance with the requirements of the Listing Rules.

As at the date of this announcement, Tianjin Jinneng Investment Company holds 9.74% of the issued share capital of the Company and 5% equity interest in Keqi Coal-based Gas Company. Therefore, Tianjin Jinneng Investment Company, as a connected shareholder that has interest in the relevant transactions, shall abstain from voting at the General Meeting to approve the purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas and the Sale and Purchase Contract of Chemical Products (Keqi) in accordance with the requirements of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR**

An independent board committee comprising the independent non-executive Directors will be formed to advise the independent shareholders on the terms of the purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun).

The Company will appoint an independent financial advisor to advise the independent board committee of the Company and the independent shareholders on the terms of the purchase of natural gas and Chemical Products under the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun).

## DEFINITIONS

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

|                      |   |
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| “Announcement”       | the continuing connected transaction announcement of the Company dated 25 April 2014 and 23 December 2014   |
| “associate(s)”       | has the meaning ascribed to it under the Listing Rules  |
| “Board”              | the board of Directors  |
| “CDC”                | China Datang Corporation, a State-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company; as at the date of this announcement, CDC, together with its subsidiaries, own approximately 34.77% of the issued share capital of the Company  |
| “Chemical Materials” | chemical materials to be purchased by Keqi Coal-based Gas Company and Duolun Coal Chemical Company required for production activities from Energy and Chemical Marketing Company as stipulated under the Procurement Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun), including liquid ammonia, diisopropyl ether, sodium hydroxide, ethanol-propylene and etc. |
| “Chemical Products”  | chemical products to be produced and sold to Energy and Chemical Marketing Company by Keqi Coal-based Gas Company and Duolun Coal Chemical Company as stipulated under the Sale and Purchase Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun), including coal tar, mixed benzene, polypropylene, propylene, ethanol, LPG, BTX aromatics and etc.                 |

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| “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 Hong Kong Stock Exchange and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange                            |
| “connected person(s)”                        | has the meaning ascribed to it under the Listing Rules   |
| “connected transaction(s)”                   | has the meaning ascribed to it under the Listing Rules   |
| “Director(s)”                                | the director(s) of the Company   |
| “Duolun Coal Chemical Company”               | 大唐內蒙古多倫煤化工有限責任公司 Datang Inner Mongolia Duolun Coal Chemical Company Limited, a subsidiary of the Company, details of which are set out in the section headed “Information on the Parties to the Agreements”  |
| “Energy and Chemical Marketing Company”      | 大唐能源化工營銷有限公司 Datang Energy and Chemical Marketing Company Limited, a wholly-owned subsidiary of the Company, details of which are set out in the section headed “Information on the Parties to the Agreements”   |
| “Framework Agreement of Sale of Natural Gas” | the framework agreement of sale of natural gas entered into between Energy and Chemical Marketing Company and Keqi Coal-based Gas Company on 25 April 2014   |
| “General Meeting”                            | the general meeting of the Company to be held for the consideration and approval of, amongst others, the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi) and the Purchase of Chemical Products under the Sale and Purchase Contract of Chemical Products (Duolun) |
| “Keqi Coal-based Gas Company”                | 內蒙古大唐國際克什克騰煤制天然氣有限責任公司 Inner Mongolia Datang International Keshiketeng Coal-based Gas Company Limited, a subsidiary of the Company, details of which are set out in the section headed “Information on the Parties to the Agreements”  |

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| “Listing Rules”  | The Rules Governing the Listing of Securities on The Stock Exchange   |
| “PRC”  | the People’s Republic of China  |
| “Procurement Contract of Chemical Products (Keqi)”               | the Procurement Contract of Chemical Products entered into between Energy and Chemical Marketing Company and Keqi Coal-based Gas Company on 25 April 2014   |
| “RMB”  | Renminbi, the lawful currency of the PRC  |
| “Sale and Purchase Agreement of Chemical Products and Materials” | the Framework Agreement of Sale of Natural Gas, the Sale and Purchase Contract of Chemical Products (Keqi), the Procurement Contract of Chemical Products (Keqi) and the Sale and Purchase Contract of Chemical Products (Duolun) |
| “Sale and Purchase Contract of Chemical Products (Duolun)”       | the Sale and Purchase Contract of Chemical Products entered into between Energy and Chemical Marketing Company and Duolun Coal Chemical Company on 25 April 2014  |
| “Sale and Purchase Contract of Chemical Products (Keqi)”         | the Sale and Purchase Contract of Chemical Products entered into between Energy and Chemical Marketing Company and Keqi Coal-based Gas Company on 25 April 2014   |
| “Stock Exchange”   | The Stock Exchange of Hong Kong Limited   |
| “%”  | percent   |

By Order of the Board  
**Ying Xuejun**  
*Company Secretary*

Beijing, the PRC, 22 December 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\*, Jiang Fuxiu\**

*\* Independent non-executive Directors*