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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 TRANSACTIONS

ENTRUSTED LOAN AGREEMENTS

On 11 July 2016, the Company, Duolun Coal Chemical Company and Construction Bank Railway Sub-branch entered into the Entrusted Loan Agreement (Duolun), pursuant to which, the Company entrusted Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB1.1 billion to Duolun Coal Chemical Company during the term of the agreement.

On 11 July 2016, the Company, Xilinhaote Mining Company and Construction Bank Railway Sub-branch entered into the Entrusted Loan Agreement (Xilinhaote), pursuant to which, the Company entrusted Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB100 million to Xilinhaote Mining Company during the term of the agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC together with its subsidiaries hold approximately 34.77% of the issued share capital of the Company. Duolun Coal Chemical Company and Xilinhaote Mining Company are subsidiaries of the Company, and Duolun Coal Chemical Company is owned as to 40% by CDC, and Xilinhaote Mining Company is owned as to 40% by China Datang Coal Industry Co., Ltd., a subsidiary of CDC. Duolun Coal Chemical Company and Xilinhaote Mining Company are therefore connected persons of the Company, and the transactions under the Entrusted Loan Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the amount of the entrusted loan under each of the Entrusted Loan Agreement (Duolun) and Entrusted Loan Agreement (Xilinhaote) is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Entrusted Loan Agreement (Duolun) and Entrusted Loan Agreement (Xilinhaote) and the transactions thereunder are subject to the reporting and announcement requirements, but exempt from the approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

ENTRUSTED LOAN AGREEMENT

1. Entrusted Loan Agreement (Duolun)

Date and Subject Matter

On 11 July 2016, the Company, Construction Bank Railway Sub-branch and Duolun Coal Chemical Company entered into the Entrusted Loan Agreement (Duolun), pursuant to which, the Company entrusted Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB1.1 billion to Duolun Coal Chemical Company during the term of the agreement.

Parties

1. The Company, as the entrusted lender;
2. Construction Bank Railway Sub-branch, as the lending agent; and
3. Duolun Coal Chemical Company, as the borrower.

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, Construction Bank Railway Sub-branch and its ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons.

Major Terms

1. Entrusted loan arrangement

Pursuant to the Entrusted Loan Agreement (Duolun), the Company agrees to entrust Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan to Duolun Coal Chemical Company.

2. Amount of the entrusted loan

The loan amount for Duolun Coal Chemical Company under the Entrusted Loan Agreement (Duolun) shall be RMB1.1 billion.

3. Term

The term is 5 months commencing from 11 July 2016 to 10 December 2016.

4. Interest rate

The loan interest rate shall be a fixed rate, being 4.35% per annum.

Such interest rate is arrived at after arm's length negotiation between the Company and Duolun Coal Chemical Company with reference to the prevailing benchmark interest rate for one-year loans in RMB as announced by the People's Bank of China.

5. Calculation of interests

Interests under the entrusted loan shall be settled on a quarterly basis. The settlement date falls on the twenty-first (21st) day of the last month of each quarter. If the final repayment date of the principal of the borrowings does not fall on the interest settlement date, then the outstanding interest shall be settled together with the principal.

6. *Handling fee*

The handling fee of the entrusted loan shall be 0.02% of the contract amount under the Entrusted Loan Agreement (Duolun). The handling fee of the entrusted loan shall be settled by the Company to Construction Bank Railway Sub-branch in one lump sum on the date when the entrusted loan becomes available. If the Company fails to pay the handling fee according to the above arrangement, the Construction Bank Railway Sub-branch is entitled to charge a default fine of 0.05% of the outstanding handling fee for every overdue day, and is also entitled to deduct the abovementioned handling fee and default fine from the recovered principal and interest of the entrusted loan or any currency account opened by the Company at the Construction Bank Railway Sub-branch.

The handling fee is arrived at with reference to the standard handling fee charged by commercial banks for the provision of same level of entrusted loan.

7. *Use of proceeds of the entrusted loan*

The entrusted loan will be used for the repayment of principal, payment of interests and rigid expenses of production and operation of Duolun Coal Chemical Company.

8. *Repayment schedule of the entrusted loan*

Repayment shall be made in batches on or before the repayment dates as set out in the Entrusted Loan Agreement (Duolun).

Duolun Coal Chemical Company shall pay for the due interest to the Company through Construction Bank Railway Sub-branch on the settlement date. The first interest payment date is the first interest settlement date after the release of entrusted loan. Interest shall be settled together with the principal when the final repayment of the loan is made.

9. *Effective date*

The Entrusted Loan Agreement (Duolun) shall become effective when it is duly signed by the legal representatives or proxies of the parties and with their respective seals affixed therein.

2. Entrusted Loan Agreement (Xilinhaote)

Date and Subject Matter

On 11 July 2016, the Company, Xilinhaote Mining Company and Construction Bank Railway Sub-branch entered into the Entrusted Loan Agreement (Xilinhaote), pursuant to which, the Company entrusted Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB100 million to Xilinhaote Mining Company during the term of the agreement.

Parties

1. The Company, as the entrusted lender;
2. Construction Bank Railway Sub-branch, as the lending agent; and
3. Xilinhaote Mining Company, as the borrower.

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, Construction Bank Railway Sub-branch and its ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons.

Major Terms

1. Entrusted loan arrangement

Pursuant to the Entrusted Loan Agreement (Xilinhaote), the Company agrees to entrust Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan to Xilinhaote Mining Company.

2. Amount of the entrusted loan

The loan amount for Xilinhaote Mining Company under the Entrusted Loan Agreement (Xilinhaote) shall be RMB100 million.

3. Term

The term is 5 months commencing from 11 July 2016 to 10 December 2016.

4. *Interest rate*

The loan interest rate shall be a fixed rate, being 4.35% per annum.

Such interest rate is arrived at after arm's length negotiation between the Company and Xilinhaote Mining Company with reference to the prevailing benchmark interest rate for one-year loans in RMB as announced by the People's Bank of China.

5. *Calculation of interests*

Interests under the entrusted loan shall be accrued on a daily basis and shall be settled on a quarterly basis. The settlement date falls on the twenty-first (21st) day of the last month of each quarter. If the final repayment date of the principal of the borrowings does not fall on the interest settlement date, then the outstanding interest shall be settled together with the principal.

6. *Handling fee*

The handling fee of the entrusted loan shall be 0.02% of the contract amount under the Entrusted Loan Agreement (Xilinhaote). The handling fee of the entrusted loan shall be settled by the Company to Construction Bank Railway Sub-branch in one lump sum on the date when the entrusted loan becomes available. If the Company fails to pay the handling fee according to the above arrangement, the Construction Bank Railway Sub-branch is entitled to charge a default fine of 0.05% of the outstanding handling fee for every overdue day, and is also entitled to deduct the abovementioned handling fee and default fine from the recovered principal and interest of the entrusted loan or any currency account opened by the Company at the Construction Bank Railway Sub-branch.

The handling fee is arrived at with reference to the standard handling fee charged by commercial banks for the provision of same level of entrusted loan.

7. *Use of proceeds of the entrusted loan*

The entrusted loan will be used for the repayment of principal, payment of interests and rigid expenses of production and operation of Xilinhaote Ming Company.

8. *Repayment schedule of the entrusted loan*

Repayment shall be made in batches on or before the repayment dates as set out in the Entrusted Loan Agreement (Xilinhaote).

Xilinhaote Mining Company shall pay for the due interest to the Company through Construction Bank Railway Sub-branch on the settlement date. The first interest payment date is the first interest settlement date after the release of entrusted loan. Interest shall be settled together with the principal when the final repayment of the loan is made.

9. *Effective date*

The Entrusted Loan Agreement (Xilinhaote) shall become effective when it is duly signed by the legal representatives or proxies of the parties and with their respective seals affixed therein.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTED LOAN AGREEMENTS

Reference is made to the major and connected transaction announcement of the Company dated 30 June 2016 in relation to the disposal of coal-to-chemical business segment. According to the arrangement for the Transitional Period as mentioned and defined in such announcement, in order to ensure the demand for funds by Duolun Coal Chemical Company and Xilinhaote Mining Company incurred from repayment of principal, payment of interests and rigid expenses of production and operation, the Company provides entrusted loans of RMB1.1 billion and RMB100 million to Duolun Coal Chemical Company and Xilinhaote Mining Company, respectively. The Company is of the view that the entrusted loans, which will be primarily utilised by Duolun Coal Chemical Company and Xilinhaote Mining Company for, repayment of principal, payment of interests and rigid expenses of production and operation, are beneficial for the smooth progress of the production and operation activities of Duolun Coal Chemical Company and Xilinhaote Mining Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Loan Agreements are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms in ordinary and usual course of business and are in the interests of the Company and its Shareholders as a whole.

INFORMATION RELATING TO THE PARTIES OF THE AGREEMENTS

1. The Company

The Company is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, and the repair, testing and maintenance of power equipment as well as the provision of power-related technical services. The main service areas of the Company are in the PRC.

2. Duolun Coal Chemical Company

Duolun Coal Chemical Company, a subsidiary of the Company, was duly established on 19 August 2009 with a paid-in 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 equity-holding structure of Duolun Coal Chemical Company is as follows: 60% of its equity interest is held by Datang Energy and Chemical Company Limited, a wholly-owned subsidiary of the Company and 40% of its equity interest is held by CDC.

3. Xilinhaote Mining Company

Xilinhaote Mining Company, a subsidiary of the Company, was duly incorporated on 23 August 2007 with a registered capital of RMB376 million. It is primarily responsible for the development, construction and operation of Shengli Open-cut Coal Mine East Unit 2 projects. The equity-holding structure of Xilinhaote Mining Company is as follows: 60% of its equity interest is held by the Company and 40% of its equity interest is held by China Datang Coal Industry Co., Ltd., a subsidiary of CDC.

4. Construction Bank Railway Sub-branch

Construction Bank Railway Sub-branch is Beijing Railway Sub-branch of China Construction Bank Corporation, a commercial bank incorporated in Fengtai District, Beijing on 28 March 1997. It is principally engaged in the provision of RMB deposits, loans and settlement business, import bill discounting, agency issue of financial bonds, agency issue, agency acceptance and underwriting of government bonds, trading of government bonds, agency collection and payment, and insurance agency.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the amount of the entrusted loan under each of the Entrusted Loan Agreement (Duolun) and Entrusted Loan Agreement (Xilinhaote) is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Entrusted Loan Agreement (Duolun) and Entrusted Loan Agreement (Xilinhaote) and the transactions thereunder are subject to the reporting and announcement requirements, but exempt from the approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

The thirty-sixth meeting of the eighth session of the Board of the Company has approved the transactions under the Entrusted Loan Agreements. None of the Directors has any material interests in the Entrusted Loan Agreements. Those connected Directors, namely Chen Jinhang, Hu Shengmu and Liang Yongpan (all of whom are the key management personnel of CDC), have abstained from voting for approval of such resolution in accordance with the listing rules of the Shanghai Stock Exchange.

DEFINITIONS

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

“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each and are listed on the Shanghai Stock Exchange
“Board”	the board of Directors of the Company
“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, owns 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
“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
“Construction Bank Railway Sub-branch”	Beijing Railway Sub-branch of China Construction Bank Corporation, details of which are set out in the section headed “Information Relating to the Parties of the Agreements”
“Director(s)”	the director(s) of the Company
“Duolun Coal Chemical Company”	Datang Inner Mongolia Duolun Coal Chemical Company Limited, a subsidiary of the Company, details of which are set out in the section headed “Information Relating to the Parties of the Agreements”
“Entrusted Loan Agreement (Duolun)”	the entrusted loan agreement entered into on 11 July 2016 between the Company, Construction Bank Railway Sub-branch and Duolun Coal Chemical Company in respect of the entrusted loan arrangement
“Entrusted Loan Agreement (Xilinhaote)”	the entrusted loan agreement entered into on 11 July 2016 between the Company, Construction Bank Railway Sub-branch and Xilinhaote Mining Company in respect of the entrusted loan arrangement
“Entrusted Loan Agreements”	Entrusted Loan Agreement (Duolun) and Entrusted Loan Agreement (Xilinhaote)
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and the London Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 holder(s) of the Share(s) of the Company
“Shares”	the ordinary shares of the Company with a nominal value of RMB1.00 each, comprising domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xilinhaote Mining Company”	Inner Mongolia Datang International Xilinhaote Mining Company Limited, a subsidiary of the Company, details of which are set out in the section headed “Information Relating to the Parties of the Agreements”
“%”	percent

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 11 July 2016

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

Chen Jinhang, Liu Chuandong, Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Liu Haixia, Guan Tiangang, Feng Genfu, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu**

* *Independent non-executive Directors*