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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**

### **TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACT**

On 8 March 2016, Wushashan Power Company, a subsidiary of the Company, entered into the Technological Transformation Projects Contract with Datang Engineering Company, and the contract amount was RMB33.2063 million.

### **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. Pursuant to Chapter 14A of the Listing Rules, since Datang Engineering Company is a subsidiary of Datang Environment Company, a subsidiary of CDC, Datang Engineering Company is a connected person of the Company, the transaction under the Technological Transformation Projects Contract constitute a connected transaction of the Company.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transaction amount under the Technological Transformation Projects Contract are above 0.1% but less than 5%, the Technological Transformation Projects Contract and the transaction thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but do not require the approval by the independent Shareholders of the Company.

## TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACT

### Date of the Contract:

8 March 2016

### Parties of the Contract:

- (1) Owner: Wushashan Power Company
- (2) Contractor: Datang Engineering Company

### Major Terms of the Contract:

- (1) Subject matter: Wushashan Power Company appointed Datang Engineering Company to undertake the tube heat exchangers for flue gas of hot coal water and related systems transformation projects for environmental protection facility transformation construction of the unit #3 of Wushashan Power Company.
- (2) Aggregate contract price and breakdown:

Total contract price (RMB'000)	Breakdown of the contract price				
	Facilities procurement fees (RMB'000)	Construction fees (RMB'000)	Installation fees (RMB'000)	Consideration for technical services (RMB'000)	Consideration for performance testing (RMB'000)
33,206.3	26,006.3	1,480	4,500	1,020	200

(3) Settlement and payment:

Payment of facilities  
procurement fees:

- i) Within one month from the effective date of the contract, the contractor shall provide a value-added tax invoice equivalent to 30% of the price of the facilities, and the owner shall pay 30% of the price of the facilities to the contractor as prepayment within one month upon its verification;
- ii) after the contractor has identified sub-contractors for the major facilities and has executed the contract, the contractor shall provide the owner with a value-added tax invoice equivalent shall pay 30% of the price of the facilities, whereas the owner shall pay 30% of the price of the facilities to the contractor within two weeks upon its verification;
- iii) after the facilities (components parts) have been delivered and all installation of facilities and a trial run of 168 hours have been completed, the contractor shall provide a value-added tax invoice equivalent to 40% of the price of the facilities and other documents as specified in the contract of the owner, whereas the owner shall pay 30% of the price of the facilities to the contractor within one month upon its verification;
- iv) the remaining 10% of the facilities procurement fees shall be reserved as the quality assurance fees for the facilities. Upon the provision of the financial receipt by the contractor, the owner shall pay 10% of the facilities procurement fees to the contractor within one month upon its verification.

Payment of construction and installation fees: Upon the confirmation from the owner on the completion volume of the construction, the contractor shall provide a financial receipt to the owner. The owner shall pay 95% of the construction and installation fees within one month upon its verification; the remaining 5% of the construction and installation fees shall be reserved as the quality assurance fees. The owner shall pay 5% of the construction and installation fees to the contractor within one month upon its verification at the end of the quality assurance period provided that no quality-related issues have been raised.

Payment of consideration for technical services:

- i) Within one month from the effective date of the contract, the contractor shall provide a financial receipt equivalent to 25% of the total consideration for technical services, whereas the owner shall pay 25% of the total consideration for technical services to the contractor within one month upon its verification;
- ii) upon completion and submission of the construction drawing design, the contractor shall provide a financial receipt equivalent to 50% of the total consideration for technical services, whereas the owner shall pay 50% of the total consideration for technical services to the contractor within one month upon its verification;
- iii) upon the facilities' passing of the acceptance performance test and signing of the preliminary acceptance certificate, the contractor shall provide a financial receipt equivalent to 25% of the total consideration for technical services, whereas the owner shall pay 25% of the total consideration for technical services to the contractor within one month upon its verification.

Payment of consideration for performance testing: The payment method and schedule of the consideration for performance testing is the same as the payment of the consideration for technical services.

(4) Effective date of contract: The contract becomes effective when it is duly signed by the legal representative or the proxy (as appointed by way of written authorisation by the legal representative) of the parties to the contract with their respective company seals affixed thereto.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACT**

According to the annual technological transformation plan of the Company, the Company invited public tender for the Technological Transformation Projects for the power generating units of Wushashan Power Company. After carrying out relevant evaluation procedures and considering various factors, including the technical experiences, professional qualification, business reputation, project management skills, consideration amount and other relevant factors of all the tenderers, Datang Engineering Company was selected as the tender winner for the Technological Transformation Projects for the power generating units of Wushashan Power Company.

Datang Engineering Company possesses sufficient qualification with rich expertise in carrying out the Technological Transformation Projects. The Company considers that such companies will be capable to ensure the Technological Transformation Projects to be carried out smoothly.

The Company and Wushashan Power Company agreed to appoint Datang Engineering Company to carry out the Technological Transformation Projects, mainly for the purposes of ensuring the on-schedule completion of Technical Transformation Projects of Wushashan Power Company, to fully ride on their professional advantage, as well as to control cost to a certain extent through large scale purchasing of facilities.

The Directors (including independent non-executive Directors) are of the view that the transactions under the Technological Transformation Projects Contract were duly completed by way of public tender; the relevant terms are fair and reasonable and conducted on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

### **BOARD'S APPROVAL**

Pursuant to the resolution of the twenty-ninth meeting of the eighth session of the Board in respect of the consideration and approval of the "Resolution on the Engagement of Connected Transaction of Datang International and its Subsidiaries" (details of which were set out in the overseas regulatory announcement of the Company dated 22 December 2015), the Company and its subsidiaries have invited public tender for their Technological Transformation Projects in 2016.

None of the Directors has material interest in the transactions under the Technological Transformation Project Contract. Connected Directors, including Chen Jinhang, Hu Shengmu and Liang Yongpan, have abstained from voting for this resolution at the relevant Board meeting pursuant to the Listing Rules of the Shanghai Stock Exchange.

## **INFORMATION OF THE PARTIES**

1. 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.
2. Datang Engineering Company, a subsidiary of Datang Environment Company, was established on 10 May 2004 with a registered capital of RMB180 million. Its scope of business mainly includes: general contracting for design and construction of thermal power and wind power generation system; general contracting for design and construction of environmental projects such as flue gas desulfurisation and denitrification in various areas, including energy, metallurgy and chemistry; franchise of environmental desulfurisation facilities; general contracting for design and construction of material conveying projects, such as coal conveying, ash conveying and bulk cargo terminals; general contracting for design and construction of projects such as dry slag removing system and anti-corrosion of chimneys; manufacture of heavy machinery and dry slag removing equipment.
3. Wushashan Power Company is a subsidiary of the Company and has an installed capacity of 2,400MW.

## **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. Pursuant to Chapter 14A of the Listing Rules, since Datang Engineering Company is a subsidiary of Datang Environment Company, a subsidiary of CDC, Datang Engineering Company is a connected person of the Company, the transaction under the Technological Transformation Projects Contract constitutes connected transactions of the Company.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transaction amount under the Technological Transformation Projects Contract is above 0.1% but less than 5%, the Technological Transformation Projects Contract and the transaction thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but do not require the approval by the independent Shareholders of the Company.

## 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 a controlling shareholder of the Company. CDC and 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
“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 Engineering Company”	China Datang Technologies and Engineering Co., Ltd., a subsidiary of Datang Environment Company, a subsidiary of CDC, details of which are set out in the section headed “Information of the Parties”
“Datang Environment Company”	Datang Environment Industry Group Co., Ltd. is a subsidiary of CDC
“Director(s)”	the director(s) of the Company
“Wushashan Power Company”	Zhejiang Datang International Wushashan Power Generation Company Limited, details of which are set out in the section headed “Information of the Parties”
“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
“Technological Transformation Projects Contract”	the “Contract on the tube heat exchangers for flue gas of hot coal water and related systems construction projects for environmental protection facility transformation construction of unit #3 for Zhejiang Datang International Wushashan Power Generation Company Limited” entered into between Wushashan Power Company and Datang Engineering Company on 8 March 2016 with a contract amount of RMB33.2063 million
“Technological Transformation Projects”	refer to the technological transformation projects that transform obsolete technologies into advanced technologies and replace outdated technology and equipment with advanced ones by upholding the principle of technological advancement, thereby achieving the goal to expand production capacities through organic growth, diversify product portfolio and enhance product quality, at the same time saving energy, reducing raw materials consumption, enhancing labour productivity and increasing economic benefits
“%”	percentage

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

Beijing, the PRC, 8 March 2016

*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, Zhu Shaowen, Jiang Guohua\*, Feng Genfu\*, Luo Zhongwei\*, Liu Huangsong\*, Jiang Fuxiu\**

\* *Independent non-executive Directors*