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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**

#### **COAL PURCHASE AND SALE FRAMEWORK AGREEMENT**

On 8 June 2016, Datang Fuel Company entered into the Coal Purchase and Sale Framework Agreement with Fuzhou Power Generation Company, pursuant to which, Datang Fuel Company agreed to sell coal to Fuzhou Power Generation Company with a maximum aggregate transaction amount of approximately RMB700 million for a term commencing from the signing date of the agreement (i.e. 8 June 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 approximately 34.77% of the issued share capital of the Company. Datang Fuel Company is a wholly-owned subsidiary of CDC and is therefore a connected person of the Company. The transactions contemplated under the Coal Purchase and Sale Framework Agreement constitute continuing connected transactions of the Company.

Since all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction amount under the Coal Purchase and Sale Framework Agreement when aggregated with the Past Transaction are higher than 0.1% but lower than 5%, the Coal Purchase and Sale Framework Agreement and the transactions 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.

# **COAL PURCHASE AND SALE FRAMEWORK AGREEMENT**

## **Date**

8 June 2016

## **The Parties**

Datang Fuel Company and Fuzhou Power Generation Company

## **Principal Terms**

- (1) Subject Matter: Datang Fuel Company agrees to sell coal to Fuzhou Power Generation Company during the term of the agreement.

The parties may, from time to time during the term of the agreement, enter into specific sale contracts in respect of the sale of coal, and such specific sale contracts shall be subject to the terms of the Coal Purchase and Sale Framework Agreement.

- (2) Settlement of coal: the quantity and quality of coal are settled based on the actual quantity and quality of coal received by Fuzhou Power Generation Company, and settled with reference to the settlement invoice confirmed by both parties of the agreement.
- (3) Term: Commencing from the date of signing of the agreement (i.e. 8 June 2016) to 31 December 2016.
- (4) The Coal Purchase and Sale Framework Agreement becomes effective when it is duly signed by both parties of the agreement.

## **Annual Cap**

It is expected that the maximum transaction amount in respect of the Coal Purchase and Sale Framework Agreement for the year ending 31 December 2016 is RMB700 million; such amount is determined with reference to (i) the anticipated quantity of coal to be sold by Datang Fuel Company to Fuzhou Power Generation Company for the period from the date of signing of the agreement (i.e. 8 June 2016) to 31 December 2016; and (ii) the estimated market price of coal (the then price of the coal will be confirmed by both parties of the transaction with reference to the prevailing market conditions after arm's length negotiations).

## **Historical Transaction Amounts**

During the year 2013, 2014 and 2015 and from 1 January 2016 to the date of the announcement, no transaction was conducted between Datang Fuel Company and Fuzhou Power Generation Company.

## **PROCEDURES FOR DETERMINATION OF COAL TRANSACTION AMOUNT**

The consideration for the purchase of coal under the Coal Purchase and Sale Framework Agreement is to be determined with reference to the market price of coal and on normal commercial terms on the basis of arm's length negotiation according to market conditions. The Company has also taken into account the following factors in determination of the transaction amount:

- (1) Purchase costs of coal of Fuzhou Power Generation Company include coal price, rail transportation fees and relevant tax.
- (2) Subject to negotiation, the final purchase price of coal is determined upon discussion at the meeting of the fuel management team of Fuzhou Power Generation Company with reference to the market prices of coal gathered by professional departments of Fuzhou Power Generation Company from time to time and according to the coal volume to be purchased from Datang Fuel Company in 2016 based on the demand for coal consumption of Fuzhou Power Generation Company and in light of the trend of price change in the place of origin of coal.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE COAL PURCHASE AND SALE FRAMEWORK AGREEMENT**

The purchase of coal by Fuzhou Power Generation Company from Datang Fuel Company is primarily for fully leveraging the advantages in terms of provision and the large scale of procurement of company specialised in coal trading, which is able to stabilise the market price of coal to some extent, controlling fuel cost and reducing the negative impacts of the fluctuating coal market on the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Coal Purchase and Sale Framework Agreement 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 the Shareholders as a whole.

None of the Directors has material interest in the transactions under the Coal Purchase and Sale Framework Agreement. Connected Directors, namely Chen Jinhang, Hu Shengmu, Wu Jing and Liang Yongpan, have abstained from voting for the relevant resolution pursuant to the listing rules of the Shanghai Stock Exchange.

## **INFORMATION ON THE PARTIES TO THE AGREEMENT**

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 as well as commissioning 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, organisation of power (thermal) production and sales; manufacture, 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. Fuzhou Power Generation Company is a controlled subsidiary of the Company (the shareholding structure: the Company holds 51% equity interest and EDF (China) Investment Limited Company (EDF(中國)投資有限公司) holds 49% equity interest) with a registered capital of RMB1,812 million and is principally engaged in the construction and operation of two 1,000 MW coal-fired generators.
4. Datang Fuel Company is a wholly-owned subsidiary of CDC with a registered capital of RMB644 million. It is principally engaged in the business of electric fuel.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries holds approximately 34.77% of the issued share capital of the Company. Datang Fuel Company is a wholly-owned subsidiary of CDC and is therefore a connected person of the Company. The transactions contemplated under the Coal Purchase and Sale Framework Agreement constitute continuing connected transactions of the Company.

Since all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction amount under the Coal Purchase and Sale Framework Agreement when aggregated with the Past Transaction are higher than 0.1% but lower than 5%, the Coal Purchase and Sale Framework Agreement and the transactions 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.

## DEFINITIONS

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

“Fuzhou Power Generation Company”	Jiangxi Datang International Fuzhou Power Generation Co., Ltd., a controlled subsidiary of the Company, details of which are set out in the section “Information of the Parties to the Agreement”
“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, owns approximately 34.77% of the issued share capital of the Company as at the date of this announcement
“Coal Purchase and Sale Framework Agreement”	the coal purchase and sale framework agreement entered into between Datang Fuel Company and Fuzhou Power Generation Company on 8 June 2016
“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
“Previous Transaction”	the coal purchase and sale framework agreement entered into between Datang Fuel Company and Beijing Datang Fuel Company, a subsidiary of the Company, on 31 December 2015, details of which are set out in the announcement published by the Company on 31 December 2015
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company

“Datang Fuel Company”	Datang Electric Power Fuel Co., Ltd., a wholly-owned subsidiary of CDC, details of which are set out in the section “Information of the Parties to the 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
“%”	percent

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

Beijing, the PRC, 8 June 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*