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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 30 June 2016, Jinzhou Thermal Power Company, a wholly-owned subsidiary of the Company, entered into the Technological Transformation Projects Contract with Datang Environment Company with a contract amount of RMB47.86 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 Environment Company, a holding subsidiary of CDC, is a connected person of the Company, the transaction under the Technological Transformation Projects Contract constitutes 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, when aggregated with the Previous Transactions, 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.

# TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACT

## Date of the Contract:

30 June 2016

## Parties to the Contract:

- (1) Owner: Jinzhou Thermal Power Company
- (2) General Contractor: Datang Environment Company

## Principal Terms of the Contract:

- (1) Subject matter: Jinzhou Thermal Power Company shall appoint Datang Environment Company to undertake the ultra-clean emission transformation projects for the No. 1 and No. 2 generating units of Jinzhou Thermal Power Company.

- (2) Aggregate contract price and breakdown:

Total Contract price	Facilities procurement fees	Construction fees	Installation fees	Design fees	Commissioning fees
(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
47,860	26,415.776	3,567.0	14,697.224	2,800	380

- (3) Settlement and payment:

- a. Payment for the prepayment of the contract:

Within one month from the effective date of the contract, the general contractor shall provide a performance bond in an amount equal to 10% of the aggregate contract price and an invoice with an amount equal to 10% of the aggregate contract price, and the owner shall pay 10% of the aggregate contract price to the general contractor as prepayment upon its verification of the invoice.

- b. Payment for the facilities procurement fees:
- i) After the general contractor has provided documents such as the checklists of relevant major facilities and materials, the owner shall pay 20% of the price of the facilities under the contract to the general contractor upon its verification of such documents;
  - ii) The general contractor shall issue a designated value-added invoice with an amount equal to 50% of the price of the facilities under the contract upon delivery of the last batch of facilities and materials under the contract and shall provide the owner with documents such as the checklists of facilities and the corresponding financial receipts. The owner shall pay 30% of the price of the facilities to the general contractor upon its verification of such documents;
  - iii) Upon completion and acceptance of the construction and installation works, the owner shall pay 30% of the price of the facilities to the general contractor upon its verification of such works;
  - iv) The remaining 10% of the price of the facilities shall be reserved as the quality assurance fees. After the general contractor has provided the final acceptance certificate, the owner shall pay 10% of the price of the facilities to the general contractor upon its verification of the certificate.
- c. Payment for construction and installation fees:
- i) Upon completion of 50% of the project, the owner shall pay 20% of the construction and installation fees for the project;
  - ii) Upon completion of 80% of the project, the owner shall pay 20% of the construction and installation fees for the project;
  - iii) Upon completion of 100% of the project, the owner shall pay 20% of the construction and installation fees for the project;
  - iv) Upon the completion and acceptance of the construction and installation works, the owner shall pay 20% of the construction and installation fees for the project;
  - v) The remaining 10% shall be reserved as quality assurance fees. In the event that there are no quality issues for the project under the contract upon expiry of the project quality assurance period under the contract, and the general contractor has provided the final acceptance certificate, the owner shall pay 10% of the construction and installation fees to the general contractor upon its verification of the certificate. Should there be any quality issues, the corresponding portion shall be deducted.

- d. Payment for the consideration of technical services:

Upon completion, acceptance and commissioning of the project, the owner shall settle the payment excluding the reserved 10% quality assurance fees after the general contractor has provided the full-amount invoice.

- (4) Effective date of contract: the contract becomes effective when it is signed by the legal representative or authorized representative of the parties 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 tenders for the Technological Transformation Projects for the generating units of Jinzhou Thermal Power Company. After carrying out relevant evaluation procedures and considering various factors, including the technical experiences, professional qualifications, business reputation, project management skills, aggregate consideration and other relevant factors of all the tenderers, Datang Environment Company was selected as the winner for the Technological Transformation Projects for the generating units of Jinzhou Thermal Power Company.

Datang Environment Company possesses sufficient qualification with extensive experience in carrying out the Technological Transformation Projects. The Company considers that Datang Environment Company will be capable of ensuring the Technological Transformation Projects to be carried out smoothly.

The Company and Jinzhou Thermal Power Company agreed to appoint Datang Environment Company to carry out the Technological Transformation Projects, mainly for the purposes of ensuring the on-schedule completion of Technological Transformation Projects of Jinzhou Thermal Power Company, to fully leverage on their professional advantages, 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 transaction under the Technological Transformation Projects Contract was determined 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 on the Involvement of Datang International and its Subsidiaries in Connected Transactions” considered and approved at the twenty-ninth meeting of the eighth session of the Board (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 tenders for their Technological Transformation Projects in 2016.

None of the Directors has material interest in the transaction under the Technological Transformation Projects Contract. Connected Directors, namely Chen Jinhang, Hu Shengmu and Liang Yongpan, have abstained from voting on 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, maintenance and commissioning of power equipment and power related technical services, with its main service areas being in the PRC.
2. Datang Environment Company is a subsidiary of CDC with a registered capital of RMB2.4 billion. Its business scope mainly includes the development of environmental protection projects and the investment, operation and management of environmental protection facilities.
3. Jinzhou Thermal Power Company is a wholly-owned subsidiary of the Company with an installed capacity of 600MW.

## **LISTING RULES IMPLICATIONS**

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## DEFINITIONS

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

“Board”	the board of directors
“CDC”	China Datang Corporation, a state-owned enterprise established under the laws of the PRC, is a controlling shareholder of the Company. CDC together with its subsidiaries hold 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 Environment Company”	Datang Environment Industry Group Co., Ltd. is a subsidiary of CDC, details of which are set out in the section headed “Information of the Parties”
“Director(s)”	the director(s) of the Company
“Jinzhou Thermal Power Company”	Liaoning Datang International Jinzhou Thermal 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

“Previous Transactions”	several technological transformation projects contracts entered into between the subsidiaries of the Company and Datang Environment Company and its subsidiaries, for details of which, please refer to the relevant announcement of the Company dated 8 March 2016 and the technological transformation projects contracts set out below:
	<p>(1) The General Contracting of the Flue Gas Ultra-low Emission Transformation for No. 2 Generating Unit of Shanxi Datang International Linfen Thermal Power Company Limited entered into between Shanxi Datang International Linfen Thermal Power Company Limited and Datang Environment Company on 6 April 2016 with a contract amount of RMB25.88 million.</p> <p>(2) The EPC Transformation Project Contract of 660MW Electrostatic Precipitators for No. 1 and No. 2 Generating Units of Fujian Datang International Ningde Power Generation Company Limited entered into between Fujian Datang International Ningde Power Generation Company Limited and Datang Environment Company on 13 April 2016 with a contract amount of RMB9.76 million.</p>
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technological Transformation Projects”	the technological transformation projects that transform obsolete technologies into advanced technologies and replace outdated technologies 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, while saving energy, reducing raw materials consumption, enhancing labour productivity and increasing economic benefits

“Technological  
Transformation  
Projects Contract”

the Contract on Ultra-clean Emission Transformation for the Desulfurization System of the No.1 and No.2 Generating Units of Liaoning Datang International Jinzhou Thermal Power Generation Company Limited entered into between Jinzhou Thermal Power Company and Datang Environment Company on 30 June 2016 with a contract amount of RMB47.86 million.

“%”

percentage

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

Beijing, the PRC, 30 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*