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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**  
**CAPITAL CONTRIBUTION AGREEMENT**

**CAPITAL CONTRIBUTION AGREEMENT**

On 5 September 2016, Lvsigang Power Generation Company, a subsidiary of the Company, entered into the Capital Contribution Agreement with Datang Jiangsu Power Generation Company, a wholly-owned subsidiary of CDC, pursuant to which Lvsigang Power Generation Company and Datang Jiangsu Power Generation Company agreed to make capital contributions in the sum of approximately RMB30 million and RMB170 million, respectively, for the purpose of establishing Datang Jiangsu Electricity Sales Company. Upon the establishment of Datang Jiangsu Electricity Sales Company, Lvsigang Power Generation Company and Datang Jiangsu Power Generation Company will hold 15% and 85% of the equity interest in Datang Jiangsu Electricity Sales Company, respectively.

**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 Jiangsu Power Generation Company, the wholly-owned subsidiary of CDC, is a connected person of the Company, the entering into of the Capital Contribution Agreement and the transaction thereunder 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 Capital Contribution Agreement are above 0.1% but all of them are less than 5%, the Capital Contribution Agreement 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.

## **INTRODUCTION**

On 5 September 2016, Lvsigang Power Generation Company, the subsidiary of the Company, entered into the Capital Contribution Agreement with Datang Jiangsu Power Generation Company, the wholly-owned subsidiary of CDC, pursuant to which Lvsigang Power Generation Company and Datang Jiangsu Power Generation Company agreed to make capital contributions in the sum of approximately RMB30 million and RMB170 million, respectively, for the purpose of establishing Datang Jiangsu Electricity Sales Company.

## **CAPITAL CONTRIBUTION AGREEMENT**

### **Date**

5 September 2016

### **Parties**

Lvsigang Power Generation Company and Datang Jiangsu Power Generation Company

### **Major Terms of the Capital Contribution Agreement**

- (1) The registered capital of Datang Jiangsu Electricity Sales Company shall be RMB200 million. The initial capital contribution shall be RMB20 million while the subsequent capital contribution shall be made gradually subject to the need for the development of such company.
- (2) Datang Jiangsu Power Generation Company shall make capital contribution of RMB170 million in cash which shall account for 85% of the registered capital of Datang Jiangsu Electricity Sales Company whereas the actual capital contribution shall be made in tranches based on its needs. The initial capital contribution to be made by Datang Jiangsu Power Generation Company shall be RMB17 million and shall be made within three months from the date of incorporation of Datang Jiangsu Electricity Sales Company.
- (3) Lvsigang Power Generation Company shall make a capital contribution of RMB30 million in cash which shall account for 15% of the registered capital whereas the actual capital contribution shall be made in tranches based on its needs. The initial capital contribution to be made by Lvsigang Power Generation Company shall be RMB3 million and shall be made within three months from the date of incorporation of Datang Jiangsu Electricity Sales Company.
- (4) The scope of business of Datang Jiangsu Electricity Sales Company mainly includes purchase and sales of electricity, purchase and sales of thermal power, operation of power distribution network, integrated consultation on energy conservation and power consumption (subject to the scope of business set out in the business license for enterprise legal person ultimately issued by the Administration for Industry and Commerce).

## **Effective Date of the Capital Contribution Agreement**

The Capital Contribution Agreement will become effective upon signing by the legal representatives or authorized representatives of both parties and sealed with their respective company chops.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT**

By leveraging the advantage of relevant resources of CDC, the controlling shareholder of the Company, the joint capital contributions of Lvsigang Power Generation Company, and Datang Jiangsu Power Generation Company, to establish Datang Jiangsu Electricity Sales Company will further increase the profitability of the Company through proactive adaptation to the new trend under reformation of power generation, exploration and promotion of the energy marketing business and proactive expansion of market share in the power generation market.

The Directors (including independent non-executive Directors) are of the view that the relevant terms of the Capital Contribution 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 its Shareholders as a whole.

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

1. Lvsigang Power Generation Company is a subsidiary of the Company with a registered capital of approximately RMB1.05 billion. The shareholding structure of the company is as follows: held as to 55% equity interest by the Company, 35% by CDC and 10% by other shareholders. The current installed capacity of the company is 2,640MW.
2. Datang Jiangsu Power Generation Company is a wholly-owned subsidiary of CDC with a registered capital of RMB100 million. It is primarily engaged in the development, investment, construction, operation and management of power energy and heat supply network.

## **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 Jiangsu Power Generation Company, the wholly-owned subsidiary of CDC, is a connected person of the Company, the entering into of the Capital Contribution Agreement and the transaction thereunder 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 Capital Contribution Agreement are above 0.1% but all of them are less than 5%, the Capital Contribution Agreement 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.

None of the Directors of the Company has material interests in the transaction contemplated under the Capital Contribution Agreement. Those connected Directors, including Chen Jinhang, Liu Chuandong and Liang Yongpan, have abstained from voting at the Board meeting 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:

“Board”	the board of directors
“Capital Contribution Agreement”	the capital contribution agreement entered into between Lvsigang Power Generation Company and Datang Jiangsu Power Generation Company on 5 September 2016 in relation to the capital contribution for the establishment of Datang Jiangsu Electricity Sales Company
“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is the controlling Shareholder of the Company. As at the date of this announcement, CDC together with its subsidiaries hold approximately 34.77% of the issued share capital of the Company
“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 Jiangsu Power Generation Company”	Datang Jiangsu Power Generation Co., Ltd. (大唐江蘇發電有限公司), a wholly-owned subsidiary of CDC, details of which are set out in the section entitled “Information on the Parties to the Capital Contribution Agreement”
“Lvsigang Power Generation Company”	Jiangsu Datang International Lvsigang Power Generation Company Limited (江蘇大唐國際呂四港發電有限責任公司), a controlled subsidiary of the Company, details of which are set out in the section entitled “Information on the Parties to the Capital Contribution Agreement”
“Datang Jiangsu Electricity Sales Company”	Datang Jiangsu Electricity Sales Co., Ltd. (大唐江蘇售電有限公司), a Company to be established in the PRC by Datang Jiangsu Power Generation Company and Lvsigang Power Generation Company in accordance with the Capital Contribution Agreement
“Director(s)”	the director(s) of the Company
“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, 5 September 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*