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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**

**COAL PURCHASE AND SALE FRAMEWORK AGREEMENT**

On 6 September 2016, Baoli Coal Company entered into the Coal Purchase and Sale Framework Agreement with Inner Mongolia Fuel Company, pursuant to which, Inner Mongolia Fuel Company agreed to purchase coal from Baoli Coal Company with a maximum aggregate transaction amount of approximately RMB120 million for a term commencing from 6 September 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. Inner Mongolia Fuel Company is a wholly-owned subsidiary of Beijing Datang Fuel Company, which is owned as to 51% and 49% by the Company and Datang Electric Power Fuel Company Limited, a wholly-owned subsidiary of CDC, respectively. 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**

6 September 2016

## **The Parties**

Baoli Coal Company and Inner Mongolia Fuel Company

## **Principal Terms**

- (1) **Subject Matter:** Inner Mongolia Fuel Company purchases coal from Baoli Coal 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) **Consideration:** To be determined in the ordinary course of business on normal commercial terms on the basis of arm's length negotiation according to prevailing market conditions.
- (3) **Settlement and payment:** The quantity and quality of coal are settled based on the actual quantity and quality of coal received by Inner Mongolia Fuel Company. Settlement shall be made by the relevant parties in accordance with the confirmed settlement invoice.
- (4) **Term:** the term of the agreement shall commence from 6 September 2016 to 31 December 2016.
- (5) The Coal Purchase and Sale Framework Agreement becomes effective when it is duly signed by both parties and affixed with their respective company seals.

## **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 RMB120 million; such amount is determined with reference to (i) the anticipated quantity of coal to be purchased by Inner Mongolia Fuel Company from Baoli Coal Company for the period from 6 September 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 in relation to sale and purchase of coal was conducted between Inner Mongolia Fuel Company and Baoli Coal Company.

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

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 price:

- (1) Purchase costs of coal of the Company include purchase costs of coal, financial costs, insurance expenses, laboratory fee, business tax and other expenses.
- (2) Professional departments of the Company are responsible for collecting market prices of coal and referring to the market trends of the last three years for determination of pricing.
- (3) The purchasing price of coal is determined with reference to the purchase cost of Inner Mongolia Datang Fuel Company and price trend in the western area of Erdos.

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

The purchase of coal by Inner Mongolia Datang Fuel Company from Baoli Coal Company mainly aims to further expand coal sources and secure coal supply to the Company and the power generation enterprises of its subsidiaries, and is beneficial for the adjustment to coal structure of the Company and the power generation enterprises of its subsidiaries, so as to control operating costs and enhance profitability.

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, Liu Chuandong 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. Inner Mongolia Fuel Company, is a wholly-owned subsidiary of Beijing Datang Fuel Company, a subsidiary of the Company, with registered capital of RMB300 million. It is principally engaged in the operation of power related fuel. The Company and Datang Electric Power Fuel Company Limited, a wholly-owned subsidiary of CDC, holds 51% and 49% of the equity interest of Beijing Datang Fuel Company, respectively.
2. Baoli Coal Company is a subsidiary of the Company, with registered capital of RMB50 million. It is principally engaged in the business of production and sales of coal. The Company and other shareholders (which are independent third party of the Company) hold 70% and 30% of the equity interest of Baoli Coal 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 holds approximately 34.77% of the issued share capital of the Company. Inner Mongolia Fuel Company is a wholly-owned subsidiary of Beijing Datang Fuel Company, which is owned as to 51% and 49% by the Company and Datang Electric Power Fuel Company Limited, a wholly-owned subsidiary of CDC, respectively. Therefore, Inner Mongolia Fuel Company is 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:

“Baoli Coal Company”	Inner Mongolia Baoli Coal Company Limited, details of which are set out in the section “Information of the Parties to the Agreement”
“Beijing Datang Fuel Company”	Beijing Datang Fuel Company Limited, a subsidiary of the Company

“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 Inner Mongolia Fuel Company and Baoli Coal Company on 6 September 2016
“Coal Purchase and Sale Framework Agreement (Hong Kong–Beijing)”	the Coal Sale and Purchase Framework Agreement dated 31 December 2015 entered into between Datang International (Hong Kong) Limited, a subsidiary of the Company, and Beijing Datang Fuel Company, details of which please refer to the announcement of the Company dated 31 December 2015
“Coal Purchase and Sale Framework Agreement (Hong Kong – Chaozhou)”	the Coal Purchase and Sale Framework Agreement dated 31 December 2015 entered into between Datang International (Hong Kong) Limited and Chaozhou Datang Fuel Company Limited, a wholly-owned subsidiary of Beijing Datang Fuel Company, details of which please refer to the announcement of the Company dated 31 December 2015
“Coal Purchase and Sale Framework Agreement (Hong Kong – Company)”	the Coal Sale and Purchase Framework Agreement dated 31 December 2015 entered into between Datang International (Hong Kong) Limited and the Company, details of which please refer to the announcement of the Company dated 31 December 2015
“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

“Directors”	the director(s) of the Company
“Inner Mongolia Fuel Company”	Inner Mongolia Datang Fuel Company Ltd., 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
“Past Transaction”	the sale and purchase of coal transactions under the Coal Purchase and Sale Framework Agreement (Hong Kong – Beijing), the Coal Purchase and Sale Framework Agreement (Hong Kong – Company) and the Coal Purchase and Sale Framework Agreement (Hong Kong – Chaozhou), details of which please refer to the announcement of the Company dated 31 December 2015
“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, 6 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*