

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Datang International Power Generation Co., Ltd..*



**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)**

**(I) CONNECTED TRANSACTION IN RESPECT OF  
THE PROPOSED SHARE ISSUANCE  
(II) SPECIFIC MANDATES  
(III) APPLICATION FOR WHITEWASH WAIVER  
AND  
(IV) RESUMPTION OF TRADING OF A-SHARES**

**CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED SHARE  
ISSUANCE**

The Board is pleased to announce that on 28 November 2016 (after trading hours), the Company entered into the A-Share Subscription Agreement with CDC pursuant to which the Company has conditionally agreed to allot and issue and CDC has conditionally agreed to subscribe in cash for 2,794,943,820 A-Share Subscription Shares at the A-Share Issue Price of RMB3.56 per A-Share Subscription Share (subject to adjustments), raising gross proceeds of approximately RMB9,950 million.

Immediately after the entering into of the A-Share Subscription Agreement, the Company entered into the H-Share Subscription Agreement with CDOHKC pursuant to which the Company has conditionally agreed to allot and issue and CDOHKC has conditionally agreed to subscribe in cash for 2,794,943,820 H-Share Subscription Shares at the H-Share Issue Price of HK\$2.12 per H-Share Subscription Share (subject to adjustments), raising gross proceeds of approximately HK\$5,925 million.

The A-Share Issuance and the H-Share Issuance are inter-conditional upon each other.

### **SPECIFIC MANDATES**

The 2,794,943,820 A-Share Subscription Shares and 2,794,943,820 H-Share Subscription Shares will be issued pursuant to the Specific Mandates to be sought from the Independent Shareholders at the EGM and the Class Meetings.

### **LISTING RULES IMPLICATIONS**

As at the Announcement Date, CDC is holding 4,138,977,414 A-Shares, CDC's subsidiaries, namely CDFC and CDOHKC, are holding 8,738,600 A-Shares and 480,680,000 H-Shares, respectively. In aggregate, the CDC Group is holding 4,147,716,014 A-Shares and 480,680,000 H-Shares, representing approximately 31.16% and approximately 3.61%, respectively, of the total number of issued Shares of the Company. In total, the CDC Group is holding approximately 34.77% of the total number of issued Shares of the Company as at the Announcement Date.

CDC is a substantial shareholder of the Company and therefore a connected person of the Company. CDOHKC, being an indirect wholly-owned subsidiary of CDC and therefore an associate of CDC, is also a connected person of the Company. Accordingly, the Share Issuance constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **IMPLICATIONS UNDER THE TAKEOVERS CODE**

As at the Announcement Date, the CDC Group in aggregate holds 4,628,396,014 Shares, representing approximately 34.77% of the total number of issued Shares of the Company.

Upon completion of the Share Issuance, 2,794,943,820 A-Share Subscription Shares will be issued to CDC and 2,794,943,820 H-Share Subscription Shares will be issued to CDOHKC, and the interests of the CDC Group in the voting rights of the Company will be increased from approximately 34.77% to approximately 54.07% (assuming there are no other changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares pursuant to the Share Issuance).

Under Rule 26.1 of the Takeovers Code, CDC and parties acting in concert with it would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by CDC or parties acting in concert with it, unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

## **APPLICATION FOR WHITEWASH WAIVER**

CDC will make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval of Independent Shareholders by way of poll at the EGM.

CDC and parties acting in concert with it will abstain from voting on the resolutions to be proposed at the EGM and/or the Class Meetings to approve the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver.

Completion of the Share Issuance is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. The Executive may or may not grant the Whitewash Waiver and the Independent Shareholders may or may not approve the Whitewash Waiver. **The Share Issuance will not proceed if the Whitewash Waiver is not granted or approved.**

If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders, upon the issue of the Subscription Shares to CDC and CDOHKC (and assuming there are no other changes to the issued share capital of the Company), the aggregate shareholding of CDC and parties acting in concert with it will exceed 50%. Subject to the Takeovers Code, CDC and parties acting in concert with it may further increase their shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

## **INDEPENDENT BOARD COMMITTEES**

Pursuant to the Listing Rules, the Connected Transactions IBC (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates.

Pursuant to Rule 2.8 of the Takeovers Code, the Whitewash Waiver IBC (comprising the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Issuance and the Whitewash Waiver) has also been formed to advise the Independent Shareholders on the Share Issuance and the Whitewash Waiver. Three non-executive Directors, namely Chen Jinhang, Liu Chuandong and Liang Yongpan, are also employees of CDC and considered to have interests in the Share Issuance and the Whitewash Waiver. Therefore they do not form part of the Whitewash Waiver IBC.

## **INDEPENDENT FINANCIAL ADVISER**

An independent financial adviser will be appointed with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders on the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver (as the case may be) and to make recommendations on voting.

## **EGM AND CLASS MEETINGS**

The EGM will be convened to consider and, if thought fit, pass resolutions to approve, among other things, (i) the Share Issuance; (ii) the Subscription Agreements and the transactions contemplated thereunder; (iii) the grant of Specific Mandates for the allotment and issue of the A-Share Subscription Shares and the H-Share Subscription Shares; and (iv) the Whitewash Waiver.

The Class Meetings will be convened to consider and, if thought fit, pass resolutions to approve, among other things, (i) the Share Issuance; (ii) the Subscription Agreements and the transactions contemplated thereunder; and (iii) the grant of Specific Mandates for allotment and the issue of the A-Share Subscription Shares and the H-Share Subscription Shares.

The Share Issuance, the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates will be proposed by way of special resolutions at the EGM and Class Meetings for approval by the Independent Shareholders and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM for approval by the Independent Shareholders.

The voting in relation to the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver at the EGM and the Class Meetings will be conducted by way of poll.

CDC and parties acting in concert with it will, and any other Shareholder who are involved in, or interested in the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver will be required to, abstain from voting on the resolutions to be proposed at the EGM and/or the Class Meetings to approve the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver.

## **DESPATCH OF WHITEWASH CIRCULAR**

The Whitewash Circular containing, among other things, (i) details of the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver; (ii) a letter of advice from the Connected Transactions IBC on the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates; (iii) a letter of recommendation from the Whitewash Waiver IBC on the Share Issuance and the Whitewash Waiver; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders on the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver is expected to be despatched to the Shareholders within 15 Business Days from the Announcement Date pursuant to Rule 14A.68 of the Listing Rules or 21 days from the Announcement Date pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier. The Company will seek the Executive's consent if it becomes clear that the Whitewash Circular may not be able to be despatched within 21 days from the Announcement Date and will apply to the Executive for an extension for the despatch of the Whitewash Circular. Further announcement(s) will be made by the Company as appropriate.

**WARNING: THE COMPLETION OF THE SHARE ISSUANCE IS SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, INCLUDING THE WHITEWASH WAIVER BEING OBTAINED FROM THE EXECUTIVE AND APPROVED BY THE INDEPENDENT SHAREHOLDERS. ACCORDINGLY, THE SHARE ISSUANCE MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES, AND ARE RECOMMENDED TO CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION AND AS TO ACTIONS THEY SHOULD TAKE.**

## **RESUMPTION OF TRADING OF A-SHARES**

At the request of the Company, trading in the A-Shares on the Shanghai Stock Exchange has been suspended with effect from 9:00 a.m. on 15 November 2016 as the Company was in the process of contemplating the Share Issuance. Application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the A-Shares on the Shanghai Stock Exchange with effect from 9:00 a.m. on 29 November 2016.

## **CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED SHARE ISSUANCE**

The Board is pleased to announce that on 28 November 2016 (after trading hours), the Company entered into the A-Share Subscription Agreement with CDC pursuant to which the Company has conditionally agreed to allot and issue and CDC has conditionally agreed to subscribe in cash for 2,794,943,820 A-Share Subscription Shares at the A-Share Issue Price of RMB3.56 per A-Share Subscription Share (subject to adjustments), raising gross proceeds of approximately RMB9,950 million.

Immediately after the entering into of the A-Share Subscription Agreement, the Company entered into the H-Share Subscription Agreement with CDOHKC pursuant to which the Company has conditionally agreed to allot and issue and CDOHKC has conditionally agreed to subscribe in cash for 2,794,943,820 H-Share Subscription Shares at the H-Share Issue Price of HK\$2.12 per H-Share Subscription Share (subject to adjustments), raising gross proceeds of approximately HK\$5,925 million.

The A-Share Issuance and the H-Share Issuance are inter-conditional upon each other.

The major terms and conditions of the A-Share Subscription Agreement and H-Share Subscription Agreement are set out below.

### **A-SHARE SUBSCRIPTION AGREEMENT**

#### **Date**

28 November 2016

#### **Parties**

- (1) The Company as the issuer; and
- (2) CDC as the subscriber.

## Number of A-Share Subscription Shares

2,794,943,820 A-Share Subscription Shares, representing approximately 27.97% of the total number of issued A-Shares and approximately 21.00% of the total number of issued Shares as at the Announcement Date; and approximately 21.85% of the total number of issued A-Shares as enlarged by the A-Share Issuance and approximately 14.79% of the total number of issued Shares as enlarged by the A-Share Issuance and the H-Share Issuance.

The total number of A-Share Subscription Shares to be subscribed by CDC shall be adjusted according to any ex-rights or ex-dividends activities (such as dividends distribution, share placement or capitalisation of capital reserve) undertaken by the Company between the A-Share Price Referencing Date and the A-Share Issuance Date based on the following formula:

$$QA_1 = QA_0 \times PA_0 / PA_1$$

where

$QA_1$  = Number of A-Share Subscription Shares to be issued after adjustment

$QA_0$  = Number of A-Share Subscription Shares to be issued before adjustment

$PA_0$  = A-Share Issue Price before adjustment

$PA_1$  = A-Share Issue Price after adjustment

The formulae for determining  $PA_1$  are as that set out under the paragraph headed “Adjustments to the A-Share Issue Price” in this announcement.

The final number of A-Share Subscription Shares to be issued pursuant to the A-Share Issuance shall be as that approved by the CSRC.

## Method of Issue

Non-public issuance

## A-Share Issue Price

RMB3.56 per A-Share Subscription Share.

The A-Share Issue Price represents:

- (a) a discount of approximately 10.55% to the closing price of RMB3.98 per A-Share as quoted on the Shanghai Stock Exchange on the A-Share Last Trading Date;

- (b) a discount of approximately 9.51% to the average closing price of RMB3.93 per A-Share as quoted on the Shanghai Stock Exchange in the last five consecutive trading days up to and including the A-Share Last Trading Date;
- (c) a discount of approximately 9.27% to the average closing price of RMB3.92 per A-Share as quoted on the Shanghai Stock Exchange in the last 30 consecutive trading days up to and including the A-Share Last Trading Date;
- (d) a discount of approximately 11.76% to the average closing price of RMB4.03 per A-Share as quoted on the Shanghai Stock Exchange in the last 180 consecutive trading days up to and including the A-Share Last Trading Date; and
- (e) a premium of approximately 5.33% over the audited consolidated net asset value per Share of approximately RMB3.38 (from the Company's consolidated financial statements prepared in accordance with PRC GAAP) as at 31 December 2015, based on the total number of issued Shares as at 31 December 2015.

### **Basis for determining the A-Share Issue Price**

The A-Share Issue Price represents 90% of the 20-day average trading price of the A-Shares immediately preceding the A-Share Price Referencing Date.

The 20-day average trading price of the A-Shares ("XA") is calculated based on the following formula:

$$XA = YA/ZA$$

where

YA = the total trading amount of the A-Shares in the 20 trading days immediately preceding the A-Share Price Referencing Date

ZA = the total trading volume of the A-Shares in the 20 trading days immediately preceding the A-Share Price Referencing Date



## Adjustments to the A-Share Issue Price

The A-Share Issue Price shall be adjusted according to the following formulae if there are any ex-rights or ex-dividends activities (such as dividends distribution, share placement or capitalisation of capital reserve) undertaken by the Company between the A-Share Price Referencing Date and the A-Share Issuance Date:

(a) when distributing cash dividends only:

$$PA_1 = PA_0 - DA$$

(b) when issuing bonus shares or capitalising capital reserve:

$$PA_1 = PA_0 / (1 + EA)$$

(c) when distributing cash dividends and issuing bonus shares or capitalising capital reserve:

$$PA_1 = (PA_0 - DA) / (1 + EA)$$

where

$PA_1$  = A-Share Issue Price after adjustment

$PA_0$  = A-Share Issue Price before adjustment

DA = Cash dividend per Share

EA = Number of bonus shares per Share or number of Shares resulting from capitalisation of capitalisation reserve to be issued for each Share

## Proceeds from the A-Share Issuance

The gross proceeds from the A-Share Issuance, being the aggregate of the A-Share Issue Price (as adjusted) multiplied by the number of A-Share Subscription Shares (as adjusted), shall be payable by CDC in one lump sum on the A-Share Issuance Date.

The gross proceeds from the A-Share Issuance amount to approximately RMB9,950 million. The net proceeds from the A-Share Issuance is estimated to be not more than approximately RMB9,950 million and the net A-Share Issue Price is estimated to be not more than RMB3.56 per A-Share Subscription Share.

The aggregate nominal value of the new A-Share Subscription Shares is RMB2,794,943,820.

## **A-Share Lock-up Period**

CDC shall not trade or transfer any of the A-Share Subscription Shares within 36 months from the completion of the A-Share Issuance. In the event the CSRC and the stock exchanges on which the Company is listed have different requirements for lock-up period, CDC shall comply with such requirements.

## **Effective Date of the A-Share Subscription Agreement**

The A-Share Subscription Agreement will become effective upon the fulfilment of the following conditions:

1. the A-Share Subscription Agreement having been signed and sealed by the respective authorised representative of CDC and the Company;
2. CDC having obtained its internal approvals in respect of the Share Issuance;
3. the Board having approved the Share Issuance;
4. the Independent Shareholders at the EGM and the Class Meetings having approved the Share Issuance, the A-Share Issuance, the H-Share Issuance, the Subscription Agreements and the transactions contemplated thereunder;
5. the Independent Shareholders at the EGM having approved (i) the Whitewash Waiver in accordance with the Takeovers Code; and (ii) CDC increasing its shareholding in the Company without making a general offer in accordance with PRC laws;
6. the Executive having granted the Whitewash Waiver to CDC;
7. all necessary approvals and consents in respect of the Share Issuance (including but not limited to the approvals from the SASAC and CSRC) having been obtained from the relevant governmental and regulatory authorities; and
8. conditions precedent 1 to 7 set out under the H-Share Subscription Agreement having been fulfilled.

None of the conditions above may be waived by any party to the A-Share Subscription Agreement. If any conditions above cannot be fulfilled (including but not limited to, if the Whitewash Waiver is not granted or approved as per conditions 5 and 6 above), the A-Share Issuance will not proceed.

If the conditions above are not fulfilled within 18 months from the date of the A-Share Subscription Agreement, the transactions contemplated under the A-Share Subscription Agreement will not proceed.

### **A-Share Issuance Date**

The A-Share Subscription Shares shall be allotted and issued to CDC on the A-Share Issuance Date.

## **H-SHARE SUBSCRIPTION AGREEMENT**

### **Date**

28 November 2016

### **Parties**

- (1) The Company as the issuer; and
- (2) CDOHKC as the subscriber.

### **Number of H-Share Subscription Shares**

2,794,943,820 H-Share Subscription Shares, representing approximately 84.29% of the total number of issued H-Shares and approximately 21.00% of the total number of issued Shares as at the Announcement Date; and approximately 45.74% of the total number of issued H-Shares as enlarged by the H-Share Issuance and approximately 14.79% of the total number of issued Shares as enlarged by the A-Share Issuance and the H-Share Issuance.

The total number of H-Share Subscription Shares to be subscribed by CDOHKC shall be adjusted according to any ex-rights or ex-dividends activities (such as dividends distributions, share placement or capitalisation of capital reserve) undertaken by the Company between the H-Share Price Referencing Date and the H-Share Issuance Date based on the following formula:

$$QH_1 = QH_0 \times PH_0 / PH$$

$QH_1$  = Number of H-Share Subscription Shares to be issued after adjustment

$QH_0$  = Number of H-Share Subscription Shares to be issued before adjustment

$PH_0$  = H-Share Issue Price before adjustment

$PH$  = H-Share Issue Price after adjustment

The final number of H-Share Subscription Shares to be issued pursuant to the H-Share Issuance shall be as that approved by the CSRC.

### **Method of Issue**

Non-public issuance

### **H-Share Issue Price**

HK\$2.12 per H-Share Subscription Share.

The H-Share Issue Price represents:

- (a) a premium of approximately 1.92% to the closing price of HK\$2.08 per H-Share as quoted on the Hong Kong Stock Exchange on the H-Share Price Referencing Date;
- (b) a premium of approximately 2.51% to the average closing price of HK\$2.07 per H-Share as quoted on the Hong Kong Stock Exchange in the last five consecutive trading days up to and including the H-Share Price Referencing Date;
- (c) a premium of approximately 1.86% to the average closing price of HK\$2.08 per H-Share as quoted on the Hong Kong Stock Exchange in the last 30 consecutive trading days up to and including the H-Share Price Referencing Date;
- (d) a premium of approximately 0.58% to the average closing price of HK\$2.11 per H-Share as quoted on the Hong Kong Stock Exchange in the last 180 consecutive trading days up to and including the H-Share Price Referencing Date; and
- (e) a discount of approximately 44.50% over the audited consolidated net asset value per Share of approximately RMB3.40 (from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards, equivalent to approximately HK\$3.82 based on the reference rate of the People's Bank of China of HK\$1: RMB0.89015 as at 28 November 2016) as at 31 December 2015, based on the total number of issued Shares as at 31 December 2015.

## **Basis for determining the H-Share Issue Price**

The H-Share Issue Price represents 103% of the 20-day average trading price of the H-Shares immediately preceding the H-Share Price Referencing Date i.e. HK\$2.12 (the Relevant H-Share Price).

The 20-day average trading price of the H-Shares (“XH”) is calculated based on the following formula:

$$XH = YH/ZH$$

where

YH = the total trading amount of the H-Shares in the 20 trading days immediately preceding the H-Share Price Referencing Date

ZH = the total trading volume of the H-Shares in the 20 trading days immediately preceding the H-Share Price Referencing Date

## **Adjustments to the H-Share Issue Price**

If the closing price of the H-Shares on the last trading day immediately preceding the date of the EGM and the Class Meetings is higher than the higher of the closing price of the H-Shares on the last trading day immediately preceding the H-Share Price Referencing Date (i.e. HK\$2.07 per H-Share) or the Relevant H-Share Price (i.e. HK\$2.12), the H-Share Issue Price shall be subject to an upward adjustment of not more than 5%. The exact upward adjustment ratio shall be determined by the Company after consultation with its financial advisers to the H-Share Issuance and be notified to CDOHKC in writing.

The upward adjustment ratio and the H-Share Issue Price after adjustment shall be calculated with reference to the following formula:

$$R = N_2/N_1 - 1$$

$$P_2 = P_1 \times (1 + R)$$

where

R = upward adjustment ratio

$N_2$  = closing price of the H-Shares on the last trading day immediately preceding the date of the EGM and the Class Meetings

$N_1$  = closing price of the H-Shares on the last trading day immediately preceding the H-Share Price Referencing Date (i.e. HK\$2.07 per H-Share) or the Relevant H-Share Price (i.e. HK\$2.12), whichever is higher

$P_2$  = H-Share Issue Price after adjustment

$P_1$  = H-Share Issue Price before adjustment

If the closing price of the H-Shares on the last trading day immediately preceding the date of the EGM and the Class Meetings is the same or is lower than the Relevant H-Share price (i.e. HK\$2.12), the H-Share Issue Price will not be subject to adjustments.

The H-Share Issue Price shall be adjusted according to the following formulae if there are any ex-rights or ex-dividends activities (such as dividends distribution, share placement or capitalisation of capital reserve) undertaken by the Company between the H-Share Price Referencing Date and the H-Share Issuance Date:

(a) when distributing cash dividends only:

$$PH = PH_0 - DH$$

(b) when issuing bonus shares or capitalising capital reserve:

$$PH = PH_0 / (1 + EH)$$

(c) when distributing cash dividends and issuing bonus shares or capitalising capital reserve:

$$PH = (PH_0 - DH) / (1 + EH)$$

where

PH = H-Share Issue Price after adjustment

$PH_0$  = H-Share Issue Price before adjustment

DH = Cash dividend per Share

EH = Number of bonus shares per Share or number of Shares resulting from capitalisation of capitalisation reserve to be issued for each Share

## **Proceeds from the H-Share Issuance**

The gross proceeds from the H-Share Issuance, being the aggregate of the H-Share Issue Price (as adjusted) multiplied by the number of H-Share Subscription Shares (as adjusted), shall be payable by CDOHKC in one lump sum on the H-Share Issuance Date.

The gross proceeds from the H-Share Issuance amount to approximately HK\$5,925 million (assuming there is no adjustment to the H-Share Issue Price) and HK\$6,233 million (assuming there is a 5% upward adjustment to the H-Share Issue Price). The net proceeds from the H-Share Issuance is estimated to be not more than approximately HK\$5,925 million (assuming there is no adjustment to the H-Share Issue Price) and not more than approximately HK\$6,233 million (assuming there is a 5% upward adjustment to the H-Share Issue Price). The net H-Share Issue Price is estimated to be not more than HK\$2.12 per H-Share Subscription Share (assuming there is no adjustment to the H-Share Issue Price) and not more than HK\$2.23 per H-Share Subscription Share (assuming there is a 5% upward adjustment to the H-Share Issue Price).

The aggregate nominal value of the new H-Share Subscription Shares is RMB2,794,943,820.

## **H-Share Lock-up Period**

CDOHKC shall not trade or transfer any of the H-Share Subscription Shares within 36 months from the completion of the H-Share Issuance, save for transfer to subsidiaries of CDC (regardless of whether such subsidiaries are directly or indirectly held or wholly-owned or controlled) in accordance with PRC laws, other laws applicable to the Company and the listing rules of the jurisdictions in which the Shares of the Company are listed provided that the transferee shall also comply with such lock-up undertaking. In the event the CSRC and the stock exchanges on which the Shares of the Company are listed have different requirements for lock-up period, CDOHKC shall comply with such requirements.

CDOHKC may pledge or create encumbrances over all or part of the H-Share Subscription Shares during the above lock-up period provided that any transfer resulting for the enforcement of such pledge or encumbrances shall comply with such lock-up undertaking.

In connection with the H-Share lock-up period set out in the H-Share Subscription Agreement, CDC shall not transfer its control of CDOHKC, either directly or indirectly, during the same period.

## **Effective Date of the H-Share Subscription Agreement**

The H-Share Subscription Agreement will become effective upon the fulfilment of the following conditions:

1. the H-Share Subscription Agreement having been signed and sealed by the respective authorised representative of CDOHKC and the Company;
2. CDC having obtained its internal approvals in respect of the Share Issuance;
3. the Board having approved the Share Issuance;
4. the Independent Shareholders at the EGM and the Class Meetings having approved the Share Issuance, the A-Share Issuance, the H-Share Issuance, the Subscription Agreements and the transactions contemplated thereunder;
5. the Independent Shareholders having approved the Whitewash Waiver at the EGM;
6. the Executive having granted the Whitewash Waiver to CDC;
7. all necessary approvals and consents in respect of the Share Issuance (including but not limited to the approval from the SASAC, the approval for the listing of, and permission to check in the H-Share Subscription Shares from the Listing Committee of the Hong Kong Stock Exchange and the approval from the CSRC) having been obtained from the relevant governmental and regulatory authorities; and
8. conditions precedent 1 to 7 set out under A-Share Subscription Agreement having been fulfilled.

None of the conditions above may be waived by any party to the H-Share Subscription Agreement. If any conditions above cannot be fulfilled (including but not limited to, if the Whitewash Waiver is not granted or approved as per conditions 5 and 6 above), the H-Share Issuance will not proceed.

If the conditions above are not fulfilled within 18 months from the date of the H-Share Subscription Agreement, the transactions contemplated under the H-Share Subscription Agreement will not proceed.



## **H-Share Issuance Date**

The H-Share Subscription Shares shall be allotted and issued to CDOHKC on the H-Share Issuance Date.

## **RANKING OF THE A-SHARE SUBSCRIPTION SHARES AND H-SHARE SUBSCRIPTION SHARES**

The A-Share Subscription Shares and the H-Share Subscription Shares will rank, upon issue, *pari passu* in all respects with the A-Shares and H-Shares in issue, respectively, at the time of allotment and issue of such new A-Share Subscription Shares and H-Share Subscription Shares, respectively.

## **SPECIFIC MANDATES**

The 2,794,943,820 A-Share Subscription Shares and 2,794,943,820 H-Share Subscription Shares will be issued pursuant to the Specific Mandates to be sought from the Independent Shareholders at the EGM and the Class Meetings.

## **APPLICATION FOR LISTING**

The Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A-Share Subscription Shares.

Applications will also be made by the Company to the Hong Kong Stock Exchange and the London Stock Exchange for the grant of the listing of, and permission to deal in, the H-Share Subscription Shares.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the number of issued Shares is 13,310,037,578 Shares, comprising, 9,994,360,000 A-Shares and 3,315,677,578 H-Shares.

Set out below is the shareholding structure of the Company (i) as at the Announcement Date; and (ii) immediately after completion of the Share Issuance (assuming there are no other changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares pursuant to the Share Issuance):

Name of Shareholder	Notes	Class of Shares	As at the Announcement Date			Immediately after completion of the Share Issuance		
			Number of Shares	Approximate %	Approximate %	Number of Shares	Approximate %	Approximate %
				of the total issued Shares	of the relevant class of Shares		of the total Issued Shares	of the relevant class of Shares
CDC	1,7	A	4,138,977,414	31.10%	41.41%	6,933,921,234	36.69%	54.22%
CDFC	2,7	A	8,738,600	0.07%	0.09%	8,738,600	0.05%	0.07%
Tianjin Jinneng Investment Company	3	A	1,296,012,600	9.74%	12.97%	1,296,012,600	6.86%	10.13%
Hebei Construction & Investment Group Co., Ltd.	4	A	1,281,872,927	9.63%	12.83%	1,281,872,927	6.78%	10.02%
Beijing Energy Group Company Limited	5	A	1,260,988,672	9.47%	12.62%	1,260,988,672	6.67%	9.86%
Public holders of A-Shares		A	2,007,769,787	15.08%	20.09%	2,007,769,787	10.62%	15.70%
<b>Total A-Shares</b>			<b>9,994,360,000</b>	<b>75.09%</b>	<b>100%</b>	<b>12,789,303,820</b>	<b>67.67%</b>	<b>100%</b>
CDOHKC	6,7	H	480,680,000	3.61%	14.50%	3,275,623,820	17.33%	53.61%
JPMorgan Chase & Co.,		H	198,579,823 (L)	1.49% (L)	5.99% (L)	198,579,823 (L)	1.05% (L)	3.25% (L)
			472,000 (S)	0.00% (S)	0.01% (S)	472,000 (S)	0.00% (S)	0.01% (S)
			45,494,296 (P)	0.34% (P)	1.37% (P)	45,494,296 (P)	0.24% (P)	0.74% (P)
Public holders of H-Shares		H	2,590,451,459	19.46%	78.13%	2,590,451,459	13.71%	42.39%
<b>Total H-Shares</b>			<b>3,315,677,578</b>	<b>24.91%</b>	<b>100%</b>	<b>6,110,621,398</b>	<b>32.33%</b>	<b>100%</b>
<b>Total (A-Shares and H-Shares)</b>			<b>13,310,037,578</b>	<b>100%</b>		<b>18,899,925,218</b>	<b>100%</b>	

(L) = Long Position    (S) = Short Position    (P) = Lending Pool

Notes:

- (1) Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, all non-executive Directors, are employees of CDC.
- (2) CDFC is a subsidiary of CDC. CDFC is held as to approximately 71.7898% by CDC directly, approximately 15.8931% by the Company directly, approximately 6.7544% by five other non-wholly-owned subsidiaries of CDC and approximately 5.5624% by six other wholly-owned subsidiaries of CDC.

- (3) Mr. Zhu Shaowen, a non-executive Director, is currently an employee of Tianjin Energy Investment Group Limited, the de facto controller of Tianjin Jinneng Investment Company. Tianjin Jinneng Investment Company is independent of CDC.
- (4) Mr. Cao Xin and Mr. Zhao Xianguo, both non-executive Directors, are employees of Hebei Construction & Investment Group Co., Ltd. Hebei Construction & Investment Group Co., Ltd. is independent of CDC .
- (5) Mr. Liu Haixia and Ms. Guan Tiangang, both non-executive Directors, are employees of Beijing Energy Group Company Limited. Beijing Energy Group Company Limited is independent of CDC.
- (6) CDOHKC is an indirect wholly-owned subsidiary of CDC.
- (7) CDFC and CDOHKC are subsidiaries of CDC and parties acting in concert with CDC.
- (8) Figures shown above are calculated assuming that no other Shares will be issued or transferred after the Announcement Date until the completion of the Share Issuance.
- (9) The upward adjustment of up to 5% to the H-Share Issue Price in accordance with the terms of the H-Share Subscription Agreement will not affect the number of H-Share Subscription Shares to be issued.

## **USE OF PROCEEDS**

### **A-Share Issuance**

The Company expects to raise total proceeds of not more than approximately RMB9,950 million from the A-Share Issuance. It is the intention of the Company to apply the total proceeds from the A-Share Issuance as follows:

- (a) approximately RMB1,082 million (equivalent to approximately 10.87% of the total proceeds from the A-Share Issuance) for “Replacing Small Units with Larger Units” Newly-constructed Project of Liaoning Datang International Huludao Thermal Power Plant (遼寧大唐國際葫蘆島熱電廠“上大壓小”新建工程項目);
- (b) approximately RMB922 million (equivalent to approximately 9.27% of the total proceeds from the A-Share Issuance) for Jiangsu Datang International Jintan Gas Turbine Thermal Power Co-generation Project (2 sets of 400MW class (F class)) (江蘇大唐國際金壇燃機熱電聯產工程項目(2套400MW級(F級)));
- (c) approximately RMB822 million (equivalent to approximately 8.26% of the total proceeds from the A-Share Issuance) for Tangshan Beijiao 2x350MW Thermal Power Co-generation Project (唐山北郊熱電聯產工程項目(2×350MW));

- (d) approximately RMB794 million (equivalent to approximately 7.98% of the total proceeds from the A-Share Issuance) for “Replacing Small Units with Larger Units” Newly-constructed Project of Liaoning Datang International Shenfu Connection Areas Thermal Power Plant (2×350MW supercritical coal-fired wet and cold heat supply unit) (遼寧大唐國際沈撫連接帶熱電廠“上大壓小”新建工程(2×350MW超臨界燃煤濕冷供熱機組));
- (e) approximately RMB780 million (equivalent to approximately 7.84% of the total proceeds from the A-Share Issuance) for Guangdong Datang International Gaoyao Jintao Heating, Power and Cooling Supply (2×400MW) Co-generation Project (廣東大唐國際高要金淘熱電冷(2×400MW)聯產項目); and
- (f) approximately RMB5,550 million (equivalent to approximately 55.78% of the total proceeds from the A-Share Issuance) for repaying infrastructure project loans, the lenders of which are commercial banks independent of the Company and not shareholders of the Company.

If the amount of the actual net proceeds from the A-Share Issuance is less than the total amount of proceeds proposed to be invested into the above projects, the Company will adjust and finalise the specific investment projects for which the proceeds shall be used, the priorities and the specific investment amount of each project based on the amount of the actual net proceeds and the importance and urgency of the projects. Any insufficient amount shall be covered by the self-owned funds of the Company or by any other financing means.

## **H-Share Issuance**

The Company expects to raise total proceeds of not more than approximately HK\$5,925 million (assuming the H-Share Issue Price is not subject to adjustment) and not more than approximately HK\$6,233 million (assuming the H-Share Issue Price is subject to a 5% upward adjustment), from the H-Share Issuance. It is currently the intention of the Company to apply the total proceeds from the H-Share Issuance for general corporate purpose.

## **REASONS FOR AND BENEFITS OF THE SHARE ISSUANCE**

### **(I) Enhancing the core competitiveness of the principal business of the Company**

The proposed use of part of the proceeds from the Share Issuance for the construction of power plant projects is beneficial for the further solidification of the advantages of the principal business of the Company and enhances the core competitiveness of the power generation business while facilitating the sustainable development of the Company.

## **(II) Optimizing the capital structure and reducing financial risks**

Part of the proceeds from the Share Issuance are proposed to be used for repaying infrastructure project loans. As of 30 September 2016, the gearing ratio of the Company was 74.78%, which was at a relatively high level; and for 2015, the interest expense of the Company amounted to RMB11.281 billion, resulting in a relative high level of financial cost. Through the Share Issuance, the Company may reduce its gearing ratio, thus optimizing its capital structure, reducing its financial cost and lowering its financial risk.

## **(III) Enjoying more support from CDC**

With the increase in shareholding by CDC (the controlling shareholder of the Company), the Company may enjoy more support from CDC, including but not limited to support on resources, business opportunities and risk resistance capacity, which is beneficial for safeguarding the stable and sustainable development of the Company.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not carried out any fund raising exercises involving the issue of equity security during the 12 months immediately preceding the Announcement Date.

## **LISTING RULES IMPLICATIONS**

As at the Announcement Date, CDC is holding 4,138,977,414 A-Shares, CDC's subsidiaries, namely CDFC and CDOHKC, are holding 8,738,600 A-Shares and 480,680,000 H-Shares, respectively. In aggregate, the CDC Group is holding 4,147,716,014 A-Shares and 480,680,000 H-Shares, representing approximately 31.16% and approximately 3.61%, respectively, of the total number of issued Shares of the Company. In total, the CDC Group is holding approximately 34.77% of the total number of issued Shares of the Company as at the Announcement Date.

CDC is a substantial shareholder and therefore a connected person of the Company. CDOHKC, being an indirect wholly-owned subsidiary and therefore an associate of CDC, is also a connected person of the Company. Accordingly, the Share Issuance constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BOARD'S APPROVAL**

The Directors are of the view that the terms of the Share Issuance are fair and reasonable and in the interests of the Shareholders as a whole.

The connected Directors, namely Chen Jinhang, Liu Chuandong and Liang Yongpan who are employees of CDC, have abstained from voting at the Board Meeting for approval of the relevant resolutions in respect of the Share Issuance. Save as disclosed above, none of the Directors has a material interest in the Share Issuance or is required to abstain from voting on the Board resolutions for considering and approving the Share Issuance pursuant to the Hong Kong Listing Rules, the Listing Rules of the Shanghai Stock Exchange and/or the Articles.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE**

As at the Announcement Date, the CDC Group in aggregate holds 4,628,396,014 Shares, representing approximately 34.77% of the total number of issued Shares of the Company.

Upon completion of the Share Issuance, 2,794,943,820 A-Share Subscription Shares will be issued to CDC and 2,794,943,820 H-Share Subscription Shares will be issued to CDOHKC, and the interests of the CDC Group in the voting rights of the Company will be increased from approximately 34.77% to approximately 54.07% (assuming there are no other changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares pursuant to the Share Issuance).

Under Rule 26.1 of the Takeovers Code, CDC and parties acting in concert with it would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by CDC or parties acting in concert with it unless the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

## **APPLICATION FOR WHITEWASH WAIVER**

CDC will make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval of Independent Shareholders by way of poll at the EGM.

CDC and parties acting in concert with it will abstain from voting on the resolutions to be proposed at the EGM and/or the Class Meetings to approve the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver.

Completion of the Share Issuance is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. The Executive may or may not grant the Whitewash Waiver and the Independent Shareholders may or may not approve the Whitewash Waiver. **The Share Issuance will not proceed if the Whitewash Waiver is not granted or approved.**

If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders, upon the issue of the Subscription Shares to CDC and CDOHKC (and assuming there are no other changes to the issued share capital of the Company), the aggregate shareholding of CDC and parties acting in concert with it will exceed 50%. Subject to the Takeovers Code, CDC and parties acting in concert with it may further increase their shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

As at the Announcement Date, the Company does not believe that the Share Issuance gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Whitewash Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Share Issuance does not comply with other applicable rules and regulations.

The Company is assessing whether certain proposed connected transactions of the Company will constitute special deals under the Takeovers Code. The Company will comply with the relevant requirements under the Takeovers Code before implementing such connected transactions and publish announcements in accordance with the requirements of the Listing Rules and the Takeovers Code in this regard.

## **ADDITIONAL DISCLOSURE OF INTEREST**

### **Interest of CDC and parties acting in concert with it in the securities of the Company**

Pursuant to paragraph 3 of Schedule VI to the Takeovers Code, the Executive will not normally waive an obligation to make a mandatory general offer with respect to a company under Rule 26 of the Takeovers Code if there occurs any disqualifying transaction prior to the grant of such waiver. Disqualifying transactions include transactions where the person seeking a waiver or any person acting in concert with it has acquired voting rights in such company in the six months prior to the announcement of the proposals but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of such company in relation to the relevant proposal. Further, a waiver will not be granted or if granted will be invalidated if, without the prior consent of the Executive, any acquisitions or disposals of voting rights are made by such persons between the time of announcement of the proposals and the completion of the subscription.

As at the Announcement Date, CDC is holding 4,138,977,414 A-Shares, representing approximately 31.10% of the total number of issued Shares and parties acting in concert with it, namely CDFC and CDOHKC (both of which are subsidiaries of CDC), are holding 8,738,600 A-Shares and 480,680,000 H-Shares, respectively, representing approximately 0.066% and 3.61%, respectively, of the total number of issued Shares.

As at the Announcement Date, save for entering into of the Subscription Agreements and as disclosed in this announcement, neither CDC nor any party acting in concert with it:

- (1) has acquired any voting rights in the Company in the Six-Month Period but subsequent to negotiations, discussions or the reaching of understandings or agreement with the Directors in relation to the Share Issuance and the Subscription Agreements;
- (2) save as disclosed above, owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company or holds any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (3) has received any irrevocable commitment or arrangements to vote in favour of or against the resolutions in respect of the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and/or the Whitewash Waiver;
- (4) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to shares of CDC or of the Company which may be material to the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and/or the Whitewash Waiver, with any other persons;
- (5) has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and/or the Whitewash Waiver, other than the conditions relating to the coming into effect of the Subscription Agreements; and
- (6) has borrowed or lent any relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company.

The Company has no outstanding warrants, options or securities convertible into shares of the Company as at the Announcement Date.



## **INDEPENDENT BOARD COMMITTEES**

Pursuant to the Listing Rules, the Connected Transactions IBC (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates.

Pursuant to Rule 2.8 of the Takeovers Code, the Whitewash Waiver IBC (comprising the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Issuance and the Whitewash Waiver) has also been formed to advise the Independent Shareholders on the Share Issuance and the Whitewash Waiver. Three non-executive Directors, namely Chen Jinhang, Liu Chuandong and Liang Yongpan, are also employees of CDC and considered to have interests in the Share Issuance and the Whitewash Waiver. Therefore, they do not form part of the Whitewash Waiver IBC.

## **INDEPENDENT FINANCIAL ADVISER**

An independent financial adviser will be appointed with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders on the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver (as the case may be) and to make recommendations on voting.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company was established on 13 December 1994 with registered capital of approximately RMB13.310 billion and 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. The Company mainly provides services in the PRC.

### **CDC**

CDC was established on 9 March 2003 with registered capital of approximately RMB18.009 billion. Its operation scope includes the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales; manufacturing, repair and commissioning 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.

## **CDOHKC**

CDOHKC is an indirect wholly-owned subsidiary of CDC. It primarily engages in investment, development, construction and management of domestic and overseas power energy; manufacturing, repair and maintenance of power equipment and so forth.

## **EGM AND CLASS MEETINGS**

The EGM will be convened to consider and, if thought fit, pass resolutions to approve, among other things, (i) the Share Issuance; (ii) the Subscription Agreements and the transactions contemplated thereunder; (iii) the grant of Specific Mandates for the allotment and issue of the A-Share Subscription Shares and the H-Share Subscription Shares; and (iv) the Whitewash Waiver.

The Class Meetings will be convened to consider and, if thought fit, pass resolutions to approve, among other things, (i) the Share Issuance; (ii) the Subscription Agreements and the transactions contemplated thereunder; and (iii) the grant of Specific Mandates for allotment and the issue of the A-Share Subscription Shares and the H-Share Subscription Shares.

The voting in relation to the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver at the EGM and the Class Meetings will be conducted by way of poll.

The Share Issuance, the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates will be proposed by way of special resolutions at the EGM and Class Meetings for approval by the Independent Shareholders and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM for approval by the Independent Shareholders.

CDC and parties acting in concert with it will, and any other Shareholder who are involved in, or interested in the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver will be required to, abstain from voting on the resolutions to be proposed at the EGM and/or the Class Meetings to approve the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver.

## **DESPATCH OF WHITEWASH CIRCULAR**

The Whitewash Circular containing, among other things, (i) details of the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver; (ii) a letter of advice from the Connected Transactions IBC on the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates; (iii) a letter of recommendation from the Whitewash Waiver IBC on the Share Issuance and the Whitewash Waiver; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committees and Independent Shareholders on the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver is expected to be despatched to the Shareholders within 15 Business Days from the Announcement Date pursuant to Rule 14A.68 of the Listing Rules or 21 days from the Announcement Date pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier. The Company will seek the Executive's consent if it becomes clear that the Whitewash Circular may not be able to be despatched within 21 days from the Announcement Date and will apply to the Executive for an extension for the despatch of the Whitewash Circular. Further announcement(s) will be made by the Company as appropriate.

**WARNING: THE COMPLETION OF THE SHARE ISSUANCE IS SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, INCLUDING THE WHITEWASH WAIVER BEING OBTAINED FROM THE EXECUTIVE AND APPROVED BY THE INDEPENDENT SHAREHOLDERS. ACCORDINGLY, THE SHARE ISSUANCE MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES, AND ARE RECOMMENDED TO CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION AND AS TO ACTIONS THEY SHOULD TAKE.**

## **RESUMPTION OF TRADING OF A-SHARES**

At the request of the Company, trading in the A-Shares on the Shanghai Stock Exchange has been suspended with effect from 9:00 a.m. on 15 November 2016 as the Company was in the process of contemplating the Share Issuance. Application has been made by the Company to the Shanghai Stock Exchange for the resumption of trading in the A-Shares on the Shanghai Stock Exchange with effect from 9:00 a.m. on 29 November 2016.

## DEFINITIONS

“A-Share Class Meeting”	the class meeting of A-Shareholders to be convened and held to approve, among other things, the A-Share Issuance, the A-Share Subscription Agreement and the transactions contemplated thereunder
“A-Share Issuance”	the allotment and issue of 2,794,943,820 A-Share Subscription Shares to CDC pursuant to the A-Share Subscription Agreement
“A-Share Issuance Date”	such date as may be notified by the Company to CDC within six months after the CSRC Approval has been obtained
“A-Share Issue Price”	the issue price of each A-Share Subscription Share
“A-Share Last Trading Date”	14 November 2016, being the last trading day immediately preceding the suspension of trading in the A Shares on 15 November 2016
“A-Share Price Referencing Date”	29 November 2016, being the date on which the announcement in respect of the resolutions of the Board Meeting is published on the Shanghai Stock Exchange
“A-Share Subscription Agreement”	the subscription agreement dated 28 November 2016 entered into between the Company and CDC in respect of the allotment and issue of 2,794,943,820 A-Share Subscription Shares by the Company to CDC
“A-Share Subscription Shares”	new A-Shares to be allotted and issued by the Company to CDC pursuant to the A-Share Subscription Agreement
“A-Shareholders”	holders of the A-Shares
“A-Shares”	ordinary shares of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange (Stock Code: 601991)
“acting in concert”	has the same meaning as defined in the Takeovers Code

“Announcement Date”	28 November 2016, being the date of this announcement
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Board Meeting”	the sixth meeting of the ninth session of the Board held on 28 November 2016 for approving, among other things, the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder
“Business Day”	a day on which the Hong Kong Stock Exchange is open for the transaction of business
“CDC”	China Datang Corporation* (中國大唐集團公司), a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
“CDC Group”	CDC and its subsidiaries
“CDFC”	China Datang Finance Company Limited* (中國大唐集團財務有限公司), a company established in the PRC which is a subsidiary of CDC held as to approximately 71.7898% by CDC directly, approximately 15.8931% by the Company directly, approximately 6.7544% by five other non-wholly-owned subsidiaries of CDC and approximately 5.5624% by six other wholly-owned subsidiaries of CDC
“CDOHKC”	China Datang Overseas (Hong Kong) Co., Limited (中國大唐海外(香港)有限公司), a company incorporated in Hong Kong which is an indirect wholly-owned subsidiary of CDC held through China Datang Overseas Investment Co., Limited (中國大唐海外投資有限公司)
“Class Meetings”	A-Share Class Meeting and H-Share Class Meeting

“Company”	Datang International Power Generation Co., Ltd.* (大唐國際發電股份有限公司) (Stock Code: 991), a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H-Shares are listed on the Hong Kong 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 Transactions IBC”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Feng Genfu, Luo Zhongwei, Liu Huangsong and Jiang Fuxiu, established pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on the Subscription Agreements and the transactions contemplated thereunder and the Specific Mandates
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities and Regulatory Commission
“CSRC Approval”	the approval of the CSRC in respect of the Share Issuance
“Directors”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“EGM”	an extraordinary general meeting of the Company to be convened to consider, if thought fit, to approve, among others, the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver

“H-Share Class Meeting”	the class meeting of H-Shareholders to be convened and held to approve, among other things, the H-Share Issuance, the H-Share Subscription Agreement and the transactions contemplated thereunder
“H-Share Issuance”	the allotment and issue of 2,794,943,820 H-Share Subscription Shares to CDOHKC pursuant to the H-Share Subscription Agreement
“H-Share Issuance Date”	such date as may be notified by the Company to CDOHKC within 12 months after the CSRC Approval has been obtained
“H-Share Issue Price”	the issue price of each H-Share Subscription Share
“H-Share Price Referencing Date”	28 November 2016, being the date of the Board Meeting
“H-Share Subscription Agreement”	the subscription agreement dated 28 November 2016 entered into between the Company and CDOHKC in respect of the allotment and issue of 2,794,943,820 H-Share Subscription Shares by the Company to CDOHKC
“H-Share Subscription Shares”	new H-Shares to be allotted and issued by the Company to CDOHKC pursuant to the H-Share Subscription Agreement
“H-Shareholders”	holders of the H-Shares
“H-Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company, which are listed on (i) the Hong Kong Stock Exchange and traded in Hong Kong dollars and (ii) the London Stock Exchange and traded in pounds sterling
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committees”	the Connected Transactions IBC and the Whitewash Waiver IBC
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committees and the Independent Shareholders in respect of the Share Issuance, Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than CDC and parties acting in concert with it and those who are involved in, or interested in the Share Issuance, the Subscription Agreements and the transactions contemplated thereunder, the Specific Mandates and the Whitewash Waiver
“Listing Committee”	the listing sub-committee of the board of directors of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Relevant H-Share Price”	103% of the 20-day average trading price of the H-Shares immediately preceding the H-Share Price Referencing Date



“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of State Council of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Share Issuance”	the A-Share Issuance and the H-Share Issuance
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company, including A-Shares and H-Shares
“Six-Month Period”	the period from 28 May 2016, being the date six months before the Announcement Date, up to and including the Announcement Date
“Specific Mandates”	the specific mandates proposed to be granted by the Independent Shareholders to the Directors at the EGM and the Class Meetings to allot and issue the A-Share Subscription Shares and H-Share Subscription Shares
“Subscription Agreements”	collectively, the A-Share Subscription Agreement and the H-Share Subscription Agreement
“Subscription Shares”	collectively, the A-Share Subscription Shares and the H-Share Subscription Shares
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Circular”	a circular containing, among other things, details of the Share Issuance, the Whitewash Waiver, the letters of advice of the Independent Board Committees and the letter of advice from the Independent Financial Adviser
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligation on the part of CDC and parties acting in concert with it to make a general offer for all securities of the Company (other than those already owned or agreed to be acquired by CDC and its concert parties) as a result of the allotment and issue of the Subscription Shares under the Subscription Agreements

“Whitewash Waiver IBC” an independent committee of the Board, comprising the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Issuance and the Whitewash Waiver, namely Zhu Shaowen, Cao Xin, Zhao Xianguo, Liu Haixia, Guan Tiangang, Feng Genfu, Luo Zhongwei, Liu Huangsong and Jiang Fuxiu, established pursuant to the requirements of the Takeovers Code to provide recommendations to the Independent Shareholders on the Share Issuance and the Whitewash Waiver

“%” per cent.

\* For identification purposes

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

Beijing, the PRC, 28 November 2016

*As at the Announcement Date, the Board comprises (a) two executive Directors, namely Wang Xin, and Ying Xuejun; (b) eight non-executive Directors, namely Chen Jinhang, Liu Chuandong, Liang Yongpan, Zhu Shaowen, Cao Xin, Zhao Xianguo, Liu Haixia, Guan Tiangang (Mdm.); and (c) four independent non-executive Directors, namely Feng Genfu, Luo Zhongwei, Liu Huangsong, Jiang Fuxiu.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information (other than those relating to CDC and parties acting in concert with it) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*As at the Announcement Date, the directors of CDC comprises Chen Jinhang, Wang Yeping, Sun Hanhong, Sun Xinguo, Chen Qiliang, Xia Donglin and Wang Wanchun.*

*The directors of CDC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to CDC and parties acting in concert with it, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*Certain figures included in this announcement have been subject to rounding adjustments. Any discrepancies in the numbers are due to rounding.*