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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 12 December 2016, Yungang Thermal Power Company and Linfen Thermal Power Company, both being subsidiaries of the Company, entered into the Capital Contribution Agreement with CDC, pursuant to which Yungang Thermal Power Company, Linfen Thermal Power Company and CDC agreed to make capital contributions in the sum of approximately RMB15.075 million, RMB15.075 million and RMB170.85 million, respectively, for the purpose of establishing Datang Shanxi Energy Marketing Company. Upon the establishment of Datang Shanxi Energy Marketing Company, Yungang Thermal Power Company, Linfen Thermal Power Company and CDC will hold 7.5%, 7.5% and 85% of the equity interests in Datang Shanxi Energy Marketing 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 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 when aggregated with the Past Transaction 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 exempt from the approval by the independent shareholders of the Company.

## **INTRODUCTION**

On 12 December 2016, Yungang Thermal Power Company and Linfen Thermal Power Company, both being subsidiaries of the Company, entered into the Capital Contribution Agreement with CDC, pursuant to which Yungang Thermal Power Company, Linfen Thermal Power Company and CDC agreed to make capital contributions in the sum of approximately RMB15.075 million, RMB15.075 million and RMB170.85 million, respectively, for the purpose of establishing Datang Shanxi Energy Marketing Company.

## **CAPITAL CONTRIBUTION AGREEMENT**

### **Date**

12 December 2016

### **Parties**

Yungang Thermal Power Company, Linfen Thermal Power Company and CDC

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

- (1) The registered capital of Datang Shanxi Energy Marketing Company shall be RMB201.00 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) CDC shall make capital contribution of RMB170.85 million in cash which shall account for 85% of the registered capital of Datang Shanxi Energy Marketing Company while the actual capital contribution shall be made in tranches based on its needs. The initial capital contribution to be made by CDC shall be RMB17.00 million and shall be made within three months from the date of incorporation of Datang Shanxi Energy Marketing Company.

- (3) Yungang Thermal Power Company shall make a capital contribution of RMB15.075 million in cash which shall account for 7.5% of the registered capital while the actual capital contribution shall be made in tranches based on its needs. The initial capital contribution to be made by Yungang Thermal Power Company shall be RMB1.50 million and shall be made within three months from the date of incorporation of Datang Shanxi Energy Marketing Company.
- (4) Linfen Thermal Power Company shall make a capital contribution of RMB15.075 million in cash which shall account for 7.5% of the registered capital while the actual capital contribution shall be made in tranches based on its needs. The initial capital contribution to be made by Linfen Thermal Power Company shall be RMB1.50 million and shall be made within three months from the date of incorporation of Datang Shanxi Energy Marketing Company.
- (5) The scope of business of Datang Shanxi Energy Marketing 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 after it is signed by the legal representatives or authorized representatives of both parties and affixed with their respective company seals.

#### **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 Yungang Thermal Power Company, Linfen Thermal Power Company and CDC, to establish Datang Shanxi Energy Marketing 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. The Company was established on 13 December 1994 with registered capital of 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.
2. CDC was established on 9 March 2003 with a registered capital of RMB18.009 billion. It is principally engaged in the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales; manufacture, repair, maintenance 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.
3. Yungang Thermal Power Company is a wholly-owned subsidiary of the Company with a registered capital of RMB690 million and a current installed capacity of 1,040MW.
4. Linfen Thermal Power Company is a subsidiary of the Company (the shareholding structure: the Company holds 80% equity interests and other shareholders, being independent third parties of the Company, hold 20% equity interests) with a registered capital of RMB282.55 million and a current installed capacity of 600MW.

## **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 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 when aggregated with the Past Transaction 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 exempt from 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 Yungang Thermal Power Company, Linfen Thermal Power Company and CDC on 12 December 2016 in relation to the capital contribution for the establishment of Datang Shanxi Energy Marketing 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, details of which are set out in the section entitled “Information on the Parties to the Capital Contribution Agreement”
“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
“Past Transaction”	the “capital contribution agreement” entered into between Jiangsu Datang International Lvsigang Power Generation Co., Ltd. and Datang Jiangsu Power Generation Co., Ltd. on 5 September 2016. For details, please refer to the announcement of the Company dated 5 September 2016

“Yungang Thermal Power Company”	Shanxi Datang International Yungang Thermal Power Company Limited, a wholly-owned subsidiary of the Company, details of which are set out in the section entitled “Information on the Parties to the Capital Contribution Agreement”
“Linfen Thermal Power Company”	Shanxi Datang International Linfen Thermal Power Company Limited, a subsidiary of the Company, details of which are set out in the section entitled “Information on the Parties to the Capital Contribution Agreement”
“Datang Shanxi Energy Marketing Company”	Datang Shanxi Energy Marketing Co., Ltd., a company to be established in the PRC by CDC, Yungang Thermal Power Company and Linfen Thermal Power 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, 12 December 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*