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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
EQUITY TRANSFER AGREEMENT

EQUITY TRANSFER AGREEMENT

On 23 December 2016, the Company and Beijing Guoneng, a wholly-owned subsidiary of CDC, entered into the Equity Transfer Agreement, pursuant to which the Company agreed to purchase from Beijing Guoneng 10.65% of equity interests in Renewable Resource Company held by Beijing Guoneng at the purchase price of RMB1.

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 and Beijing Guoneng is the wholly-owned subsidiary of CDC. Pursuant to Chapter 14A of the Listing Rules, Beijing Guoneng is a connected person of the Company. The transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the amount in relation to the transaction under the Equity Transfer Agreement is more than 0.1% but less than 5%, the Equity Transfer Agreement is only subject to the reporting and announcement requirements set out under Chapter 14A of the Listing Rules, and is exempt from the approval by the independent shareholders of the Company.

EQUITY TRANSFER AGREEMENT

Date

23 December 2016

Parties

Transferor: Beijing Guoneng

Transferee: the Company

Major Information of the Equity Transfer Agreement

1. Subject matter:

10.65% equity interests of Renewable Resource Company.

2. Value of the subject matter:

Pursuant to the Assets Valuation Report issued by the independent valuer China Enterprise Appraisals Co., Ltd., as of 31 March 2016, the valuation reference date, as valued by the asset-based approach, the appraised value of net assets of Renewable Resource Company is approximately RMB-1,180.5432 million and the value of net assets of the subject matter is approximately RMB-125.7279 million.

3. Pricing principle:

The Company agreed to purchase 10.65% of the equity interests in Renewable Resource Company held by Beijing Guoneng at the purchase price of RMB1. The purchase price was determined after taking into account the appraised value of net assets of the subject matter, as evaluated by the independent valuer on 31 March 2016, the valuation reference date.

4. Method of payment for the consideration:

The Company shall pay at the purchase price by payment transfer to the designated bank account of Beijing Guoneng within 20 working days from the date of completion of the equity transfer and registration.

The purchase price will be funded by internal funds.

5. Effective date:

The Equity Transfer Agreement shall become effective upon signing and affixing of company seals by the legal representatives or authorised representatives of the parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

After entering into the Equity Transfer Agreement between the Company and Beijing Guoneng, the equity interest of Renewable Resource Company held by the Company will be increased from 40.35% to 51%, which is favourable to the Company to secure its controlling position in Renewable Resource Company. Given that Beijing Guoneng is the wholly-owned subsidiary of CDC, the controlling shareholder of the Company, after the Company's purchase of the equity interest in Renewable Resource Company held by Beijing Guoneng, CDC will cease to have interest in Renewable Resource Company and Renewable Resource Company will cease to be a connected person of the Company, which is conducive to reducing the connected transactions between the Company and its controlling shareholder.

The Directors (including independent non-executive Directors) are of the view that the acquisition of equity interest under the Equity Transfer Agreement is on normal commercial terms and the relevant transaction is fair and reasonable, and is in the interest of the shareholders of the Company as a whole.

APPROVAL BY THE BOARD

None of the Directors have any material interest in the transaction. The connected Directors, namely Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan, have abstained from voting at the Board meeting for the approval of relevant transactions in accordance with the requirements of the Listing Rules of the Shanghai Stock Exchange.

INFORMATION ON RELEVANT PARTIES

Information about the Company

The Company is principally engaged in the construction and operation of power plants, the sale of electricity and thermal power, the repair and maintenance of power equipment and power related technical services, with its main service areas in the PRC.

Information about CDC

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 and maintenance of power equipment; power technology development and consultation; contracting and consultation of environmental power engineering; development of new energy as well as development and production of power-related coal resources.

Information about Beijing Guoneng

Beijing Guoneng, a wholly-owned subsidiary of CDC, was established on 20 August 2007 with a registered capital of RMB36.72 million. Its principal scope of business is investment management.

Information about Renewable Resource Company

Renewable Resource Company, a subsidiary of the Company, has a registered capital of RMB110 million. The shareholding structure of Renewable Resource Company is as follows: 40.35% of its equity interest is held by the Company; 49% of its equity interest is held by Duolun Xinyuan Renewable Resource Company; and 10.65% of its equity interest is held by Beijing Guoneng.

Renewable Resource Company will continue to be a subsidiary of the Company upon completion of the equity transfer.

FINANCIAL INFORMATION ON LOSS OF THE SUBJECT MATTER

The financial information on loss of the subject matter for the two financial years ended 31 December 2015 is set out below:

| | For the financial year ended 31 December | |
|---------------------|-----------------------------------------------------|------------------|
| | 2014 | 2015 |
| | <i>RMB</i> | <i>RMB</i> |
| | (audited) | (audited) |
| Net loss before tax | 638.4074 million | 926.3371 million |
| Net loss after tax | 636.7075 million | 926.0561 million |

As at 31 March 2016, the audited book value of net assets of the subject matter amounted to approximately RMB-1,237.2833 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 34.77% of the issued share capital of the Company and Beijing Guoneng is the wholly-owned subsidiary of CDC. Accordingly, pursuant to the Listing Rules, Beijing Guoneng is a connected person of the Company. The transaction contemplated under Equity Transfer Agreement constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the amount in relation to the transaction under the Equity Transfer Agreement is more than 0.1% but less than 5%, the Equity Transfer Agreement is only subject to the reporting and announcement requirements set out under Chapter 14A of the Listing Rules, and exempt from compliance with the requirement of the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

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

| | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of directors of the Company |
| “CDC” | China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is the controlling shareholder of the Company under the Listing Rules |
| “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 |
| “Director(s)” | the director(s) of the Company |

| | |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Beijing Guoneng” | Beijing Guoneng Zhixin Investment Co., Ltd., details of which are set out in the section entitled “Information on Relevant Parties” |
| “Renewable Resource Company” | Inner Mongolia Datang International Renewable Energy Resource Development Company Limited, details of which are set out in the section entitled “Information on Relevant Parties” |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Equity Transfer Agreement” | The Equity Transfer Agreement entered into between the Company and Beijing Guoneng in respect of the transfer of the 10.65% of the equity interests in the Renewable Resource Company, being the subject matter, on 23 December 2016 |
| “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, 23 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*