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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**

### **TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACTS**

On 10 May 2017, Tuoketuo Power Generation Company, a controlled subsidiary of the Company, entered into the Technological Transformation Projects Contracts with Datang Technologies and Engineering Company, and the contract amounts were RMB104.5256 million and RMB247.8592 million, respectively.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries hold 34.77% of the issued share capital of the Company. Pursuant to Chapter 14A of the Listing Rules, since Datang Technologies and Engineering Company is a subsidiary of Datang Environment Company, a controlled subsidiary of CDC, and hence a connected person of the Company, the transactions under the Technological Transformation Projects Contracts constitute connected transactions 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 amounts under the Technological Transformation Projects Contracts when aggregated with the Previous Transactions, is above 0.1% but less than 5%, the Technological Transformation Projects Contracts and the transactions thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but do not require the approval by the independent shareholders of the Company.

## TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACT (I)

### Date of the Contract:

10 May 2017

### Parties of the Contract:

- (1) Owner: Tuoketuo Power Generation Company
- (2) Main Contractor: Datang Technologies and Engineering Company

### Major Terms of the Contract:

- (1) Subject matter: Tuoketuo Power Generation Company appointed Datang Technologies and Engineering Company to undertake the EPC general contracting project of Tuoketuo Power Generation Company in relation to the construction engineering of fill ground and its ancillary systems under the integration treatment project of the small watershed located in Kulue Tugou.
- (2) Aggregate contract price and breakdown:

*Unit: RMB0'000*

<b>Total contract price</b>	<b>Facilities fees</b>	<b>Installation fees</b>	<b>Construction and engineering fees</b>	<b>Consideration for agency service for tendering</b>
10,452.56	198	343.11	9,877.6	33.85

- (3) Settlement and payment:

1. After the main contractor has delivered facilities and materials supplied equivalent to 50% of facilities and materials contract price to the place of delivery, and has provided the owner with documents including the inspection and acceptance checklist of facilities, an invoice specifically used for value-added tax equivalent to 40% of the total amount used in facilities and materials and an irrevocable performance bond guarantee regarding the owner as a beneficiary in an amount equivalent to 10% of the total contract price upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 40% of the total amount used in facilities and materials set out in the contract within one month.

2. After the main contractor has delivered remaining facilities and materials supplied equivalent to 50% of facilities and materials contract price to the place of delivery, and has provided the owner with documents including the inspection and acceptance checklist of facilities and an invoice specifically used for value-added tax equivalent to 30% of the total amount used in facilities and materials upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total amount used in facilities and materials set out in the contract within one month.
3. After the main contractor has completed the installation construction equivalent to 50% of the total installation fees, and has provided the owner with documents including the inspection and acceptance checklist of facilities and an invoice specifically used for value-added tax equivalent to 30% of the total installation fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total installation fees set out in the contract within one month.
4. After the main contractor has completed the installation construction equivalent to 80% of the total installation fees, and has provided the owner with documents including the inspection and acceptance checklist of facilities and an invoice specifically used for value-added tax equivalent to 30% of the total installation fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total installation fees set out in the contract within one month.
5. After the main contractor has completed the building construction equivalent to 50% of the total construction and engineering fees, and has provided the owner with documents including the inspection and acceptance checklist of facilities and an invoice specifically used for value-added tax equivalent to 30% of the total construction and engineering fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total construction and engineering fees set out in the contract within one month.
6. After the main contractor has completed the building construction equivalent to 80% of the total construction and engineering fees, and has provided the owner with documents including the inspection and acceptance checklist of facilities and an invoice specifically used for value-added tax equivalent to 30% of the total construction and engineering fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total construction and engineering fees set out in the contract within one month.

7. After completion of all construction works, the main contractor has provided the contracting party with documents including inspection and acceptance checklist of completion of construction, an invoice specifically used for value-added tax equivalent to 30% of the total amount used in facilities and materials, an invoice specifically used for value-added tax equivalent to 40% of the total installation fees and an invoice specifically used for value-added tax equivalent to 40% of the total construction and engineering fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the contracting party shall pay 20% of the total amount used in facilities and materials, 30% of the total installation fees and 30% of the total construction and engineering fees to the main contractor within one month.
  8. Consideration for agency service for tendering and the first payment of materials and facilities shall be paid in full at the same period.
  9. The 10% of the total contract amount (excluding consideration for agency service for tendering) shall be reserved as the quality assurance fees. The date of refund of the quality assurance fees will be one year after the date of completion of inspection and acceptance. After the main contractor has issued financial receipts with each of which equivalent to 10% of the total facilities fees, installation fees and construction and engineering fees, respectively, the owner shall pay 10% of the total amount to the main contractor within one month upon receiving the aforesaid receipts.
- (4) Effective date of contract: Effective when duly signed by the legal representative or the authorized proxy of the parties with their respective company seals affixed thereto.

## **TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACT (II)**

### **Date of the Contract:**

10 May 2017

### **Parties of the Contract:**

- (1) Owner: Tuoketuo Power Generation Company
- (2) Main Contractor: Datang Technologies and Engineering Company

## Major Terms of the Contract:

- (1) Subject matter: Tuoketuo Power Generation Company appointed Datang Technologies and Engineering Company to undertake the EPC general contracting project of Tuoketuo Power Generation Company in relation to the construction engineering of loading system, unloading system and its ancillary systems under the integration treatment project of the small watershed located in Kulue Tugou.
- (2) Aggregate contract price and breakdown:

*Unit: RMB0'000*

<b>Total contract price</b>	<b>Facilities fees</b>	<b>Installation fees</b>	<b>Construction and engineering fees</b>	<b>Consideration for agency service for tendering</b>
24,785.92	13,540.83	5,226.28	5,977.10	41.71

- (3) Settlement and payment:
  1. After the main contractor has delivered all facilities and materials supplied to the place of delivery, and has provided the owner with documents including the inspection and acceptance checklist of facilities, an invoice specifically used for value-added tax equivalent to 60% of the total amount used in facilities and materials and an irrevocable performance bond guarantee that regarded the owner as a beneficiary in an amount equivalent to 10% of the total contract price upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 60% of the total amount used in facilities and materials set out in the contract within one month.
  2. After completion of 50% of all construction works, the main contractor has provided the owner with documents including inspection and acceptance checklist of facilities, an invoice specifically used for value-added tax equivalent to 30% of the sum of total installation fees and construction and engineering fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total sum of installation fees and construction and engineering fees set out in the contract within one month.

3. After completion of 80% of all construction works, the main contractor has provided the owner with documents including inspection and acceptance checklist of facilities, an invoice specifically used for value-added tax equivalent to 30% of the sum of total installation fees and construction and engineering fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total sum of installation fees and construction and engineering fees set out in the contract within one month.
  4. After completion of all construction works, the main contractor has provided the owner with documents including inspection and acceptance checklist of completion of construction, an invoice specifically used for value-added tax equivalent to 40% of the total amount used in facilities and materials, an invoice specifically used for value-added tax equivalent to 40% of the total sum of installation fees and construction and engineering fees upon passing inspection and acceptance by both parties and reaching the technology requirements between both parties, the owner shall pay 30% of the total amount used in facilities and materials and 30% of the total installation fees and construction and engineering fees set out in the contract within one month.
  5. Consideration for agency service for tendering and the first payment of materials and facilities shall be paid in full at the same period.
  6. The 10% of the total contract amount (excluding consideration for agency service for tendering) shall be reserved as the quality assurance fees. The date of refund of the quality assurance fees will be one year after the date of completion of inspection and acceptance. After the main contractor has issued financial receipts with each of which equivalent to 10% of the total facilities fees, installation fees and construction and engineering fees, respectively, the owner shall pay 10% of the total amount to the main contractor within one month upon receiving the aforesaid receipts.
- (4) Effective date of contract: Effective when duly signed by the legal representative or the authorized proxy of the parties with their respective company seals affixed thereto.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TECHNOLOGICAL TRANSFORMATION PROJECTS CONTRACTS**

According to the annual technological transformation plan of the Company, the Company invited public tender for the Technological Transformation Projects of Tuoketuo Power Generation Company. After carrying out relevant evaluation procedures and considering various factors, including the technical experiences, professional qualification, business reputation, project management skills, consideration amount and other relevant factors of all the tenderers, Datang Technologies and Engineering Company was selected as the tender winner for the Technological Transformation Projects of Tuoketuo Power Generation Company.

Datang Technologies and Engineering Company possesses sufficient professional qualification with extensive experience in carrying out the Technological Transformation Projects. The Company considers that such company will be capable of ensuring that the Technological Transformation Projects are carried out smoothly.

The Company and Tuoketuo Power Generation Company agreed to appoint Datang Technologies and Engineering Company to carry out the Technological Transformation Projects, mainly for the purposes of ensuring the on-schedule completion of Technical Transformation Projects of Tuoketuo Power Generation Company, to fully ride on its professional advantage, as well as to control cost to a certain extent through large-scale purchasing of facilities.

The Directors (including independent non-executive Directors) are of the view that the transactions under the Technological Transformation Projects Contracts were duly determined by way of public tender; the relevant terms are fair and reasonable and conducted on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

### **BOARD'S APPROVAL**

Pursuant to the resolution of the eleventh meeting of the ninth session of the Board in respect of the consideration and approval of the "Resolution on the Tendering for the Technological Transformation Projects of Datang International and its Subsidiaries" (details of which were set out in the overseas regulatory announcement of the Company dated 15 March 2017), the Company and its subsidiaries have invited public tender for their Technological Transformation Projects in 2017.

None of the Directors has material interest in the transactions under the Technological Transformation Projects Contracts. Connected Directors, including Chen Jinhang, Liu Chuandong and Liang Yongpan, have abstained from voting for this resolution at the relevant Board meeting pursuant to the listing rules of the Shanghai Stock Exchange.

## **INFORMATION OF THE PARTIES**

1. Datang Technologies and Engineering Company is a controlled subsidiary of Datang Environment Company. It was established on 10 May 2004 with a registered capital of RMB180 million. Its scope of business mainly includes: general contracting for design and construction engineering of thermal power and wind power generation system; general contracting for design and construction engineering of environmental protection projects such as flue gas desulfurisation and denitrification in various areas, including energy, metallurgy and chemistry.
2. Tuoketuo Power Generation Company is a controlled subsidiary of the Company with an installed capacity of 3,600MW.

## **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 Datang Technologies and Engineering Company is a subsidiary of Datang Environment Company, a controlled subsidiary of CDC, and hence a connected person of the Company, the transaction under the Technological Transformation Projects Contracts constitute connected transactions 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 amounts under the Technological Transformation Projects Contracts when aggregated with the Previous Transactions, is above 0.1% but less than 5%, the Technological Transformation Projects Contracts and the transactions thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but do not require the approval by the independent shareholders of the Company.

## **DEFINITIONS**

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

“Board”	the board of directors
“CDC”	China Datang Corporation, a state-owned enterprise established under the laws of the PRC and is a controlling shareholder of the Company. CDC and its subsidiaries own approximately 34.77% of the issued share capital of the Company in aggregate as at the date of this announcement

“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H shares are listed on the Stock Exchange and the London Stock Exchange and whose A shares are listed on the Shanghai Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Datang Environment Company”	Datang Environment Industry Group Co., Ltd., a subsidiary of CDC
“Datang Technologies and Engineering Company”	China Datang Technologies and Engineering Co., Ltd., a subsidiary of Datang Environment Company, a subsidiary of CDC, details of which are set out in the section headed “Information of the Parties”
“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
“Previous Transactions”	a number of technological transformation projects contracts entered into between the subsidiaries of the Company and Datang Environment Company and its subsidiaries. For details, please refer to the relevant announcements issued by the Company on 30 June 2016, 28 July 2016 and 29 December 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Technological Transformation Projects”	refer to the technological transformation projects that transform obsolete technologies into advanced technologies and replace outdated technology and equipment with advanced ones by upholding the principle of technological advancement, thereby achieving the goal to expand production capacities through organic growth, diversify product portfolio and enhance product quality, at the same time saving energy, reducing raw materials consumption, enhancing labour productivity and increasing economic benefits
“Technological Transformation Projects Contracts”	Technological Transformation Projects Contract (I) and Technological Transformation Projects Contract (II)
“Technological Transformation Project Contract (I)”	an EPC General Contracting Contract of Tuoketuo Power Generation Company in relation to the Construction Engineering of Fill Ground and its Ancillary Systems under the Integrated Treatment Project of the Small Watershed located in Kulue Tugou entered into between Tuoketuo Power Generation Company and Datang Technologies and Engineering Company on 10 May 2017 with an contract amount of RMB104.5256 million
“Technological Transformation Project Contract (II)”	an EPC General Contracting Contract of Tuoketuo Power Generation Company in relation to the Construction Engineering of Loading System, Unloading System and Ancillary Systems under the Integrated Treatment Project of the Small Watershed located in Kulue Tugou entered into between Tuoketuo Power Generation Company and Datang Technologies and Engineering Company on 10 May 2017 with an contract amount of RMB247.8592 million
“Tuoketuo Power Generation Company”	Inner Mongolia Datang International Tuoketuo Power Generation Company Limited, details of which are set out in the section headed “Information of the Parties”
“%”	percentage

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

Beijing, the PRC, 10 May 2017

*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, Liu Jizhen\*, Feng Genfu\*, Luo Zhongwei\*, Liu Huangsong\*, Jiang Fuxiu\**

*\* Independent non-executive Directors*