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**大唐国际发电股份有限公司**

DATANG INTERNATIONAL POWER GENERATION CO., LTD.

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 00991)**

## **ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS**

### **TECHNICAL MONITORING FRAMEWORK AGREEMENT**

On 17 May 2017, the Company entered into the Technical Monitoring Framework Agreement with Datang Research Institute, a wholly-owned subsidiary of CDC, pursuant to which Datang Research Institute shall provide technical monitoring and technical service work to certain power generation enterprises of the Company from 17 May 2017 to 31 December 2017. The annual cap of the transaction amount is approximately RMB145 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. Datang Research Institute is a wholly-owned subsidiary of CDC, therefore Datang Research Institute is a connected person of the Company and the transactions under the Technical Monitoring Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions under the Technical Monitoring Framework Agreement is above 0.1% but does not exceed 5% and all other applicable percentage ratios are below 5%, the Technical Monitoring Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **TECHNICAL MONITORING FRAMEWORK AGREEMENT**

### **Date**

17 May 2017

### **Parties**

- i. The Company; and
- ii. Datang Research Institute

### **Major terms**

- i. Subject matter: Datang Research Institute shall provide technical monitoring and technical service work to certain power generation enterprises of the Company.
- ii. Scope of service: Datang Research Institute shall provide technical monitoring and technical service work which includes but not limited to the 14 technology supervision projects, and shall provide technical support and guidance in respect of technical difficulties.

Each of these power generation enterprises of the Company shall enter into the Technical Monitoring Contract with Datang Research Institute respectively, and such contract shall specify the specific scope of service, content, requirement and project of the technical services and shall be subject to the terms of the Technical Monitoring Framework Agreement.

- iii. Settlement and fees: Datang Research Institute shall issue corresponding invoice to the power generation enterprises of the Company, and technical service fees shall be paid by the power generation enterprises of the Company to Datang Research Institute. The fees charged shall be determined with reference to the prevailing fees charged in the industry, which shall not be higher than the average market price during the same period and shall not be higher than the fees charged for the provision of same services to independent third parties and other members of CDC.
- iv. Performance assessment: The power generation enterprises of the Company and Datang Research Institute shall devise terms for performance assessment in the Technical Monitoring Contract. In the event that the power generating units fail to meet the economic and technical performance assessment benchmark, accidents involving human injuries or damages to equipment or unplanned interruption of the power generating units occur due to reasons on the part of Datang Research Institute, the relevant power generation enterprises of the Company shall deduct the corresponding amount from the contract value. The maximum amount of penalty to be deducted shall not exceed 15% of the total value of the contract.

v. Term: The term of the agreement is from 17 May 2017 to 31 December 2017.

### **Annual Cap and Pricing Policy**

It is expected that the annual cap of the transaction amount in respect of the Technical Monitoring Framework Agreement for the year ending 31 December 2017 is RMB145 million. Such amount is determined with reference to (i) the technical monitoring and technical service cost in the industry where the power generation enterprises of the Company are located; and (ii) the unit capacity of the power generation enterprises of the Company.

As set out in previous paragraphs of this announcement, the consideration for the provision of the technical monitoring and technical service work under the Technical Monitoring Framework Agreement is to be determined on normal commercial terms with reference to prevailing market conditions. The Company has also taken into account the following factors in determining the consideration:

- (1) The difference between service projects for coal-fired power, hydropower and wind power generating units;
- (2) The difference of unit capacity and geographical location between different power generation enterprises of the Company; and
- (3) Market price for technical monitoring and technical services collected by professional departments of the Company and the prices for provision of same services by a number of independent third parties or other companies under CDC.

In light of the expected increase in the scope of business under the technical monitoring and technical service arrangement and the number of power generation enterprises of the Company for the year 2017 compared with that in 2016, the annual cap of the transaction amount for the year ending 31 December 2017 is expected to be higher than the transaction amount for provision of similar services in 2016.

### **Historical Annual Transaction Amounts**

From 1 January 2016 to 31 December 2016, the transaction amount in respect of provision of similar services by Datang Research Institute to certain power generation enterprises of the Company was approximately RMB78.06 million.

From 1 January 2015 to 31 December 2015, the transaction amount in respect of provision of similar services by Datang Research Institute to certain power generation enterprises of the Company was approximately RMB44.88 million.

From 1 January 2014 to 31 December 2014, the power generation enterprises of the Company did not conduct any relevant business with Datang Research Institute.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TECHNICAL MONITORING FRAMEWORK AGREEMENT**

Technical monitoring is important in ensuring the healthy and safe operation of power generation or power supply equipment, and is a form of production and efficiency services. Technical monitoring is carried out throughout the process of power generation and development, involves all types of technical know-how and is one of the bases for scientific corporate management. Technical service is the key model and scope of operation of the technological market. It refers to the provision of various services by a party equipped with technical know-how to another party so as to resolve specific technical issues.

Datang Research Institute has sufficient professional qualification in the provision of technical monitoring and technical services. By engaging Datang Research Institute to undertake the technical monitoring and technical service work of the Company, the Company would be able to enhance the level of standardisation, formalisation and professional management of its technical monitoring, thereby better ensuring the safe and efficient operation of its power generation business.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Technical Monitoring Framework Agreement are fair and reasonable, are entered into in the ordinary course and usual course of business on normal commercial terms, and are in the interest of the Company and its shareholders as a whole.

## **BOARD'S APPROVAL**

None of the Directors have material interest in the transaction under the Technical Monitoring Framework Agreement. Those connected Directors, namely Chen Jinhang, Liu Chuandong and Liang Yongpan, being the key management of CDC, have abstained from voting at the relevant Board meeting for approval of the relevant resolution in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

## **INFORMATION ON THE PARTIES TO THE AGREEMENT**

1. 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 located in the PRC.

2. **CDC:** CDC was established on 9 March 2003 and has 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; 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. **Datang Research Institute:** Datang Research Institute is a wholly-owned subsidiary of CDC. It was established on 27 December 2013 with registered capital of RMB100 million. It has currently established four institutes in Northeast China, Eastern China, Northwest China and Central China, respectively, and is capable of undertaking technical monitoring and technical service works for thermal power, hydraulic power and wind power generation enterprises.

## **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; Datang Research Institute is a wholly-owned subsidiary of CDC, therefore Datang Research Institute is a connected person of the Company and the transactions under the Technical Monitoring Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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## 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 (中國大唐集團公司), a state-owned enterprise established under the laws of the PRC and is the controlling shareholder of the Company which, together with its subsidiaries, hold approximately 34.77% of the issued share capital of the Company as at the date of this announcement
“Company”	Datang International Power Generation Co., Ltd. (大唐國際發電股份有限公司), 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(s)”	has the meaning ascribed to it under the Listing Rules
“Datang Research Institute”	China Datang Corporation Science and Technology Research Institute Company Limited (中國大唐集團科學技術研究院有限責任公司), a wholly-owned subsidiary of CDC, details of which are set out in the section titled “Information on the Parties to the Agreement”
“Directors”	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

“Technical Monitoring Contract”	the Technical Monitoring and Technical Service Contract to be entered into between certain power generation enterprises of the Company and Datang Research Institute within the term of the Technical Monitoring Framework Agreement
“Technical Monitoring Framework Agreement”	the Technical Monitoring and Technical Service Framework Agreement entered into between the Company and Datang Research Institute on 17 May 2017
“%”	percent

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

Beijing, the PRC, 17 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*