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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

COAL PURCHASE AND SALE FRAMEWORK AGREEMENTS

On 13 June 2017, certain subsidiaries of the Company entered into the Coal Purchase and Sale Framework Agreements with certain connected persons to conduct the following continuing connected transactions:

- I. Purchase of Coal from Datang Shanxi Fuel Company by Yungang Thermal Power Company, a wholly-owned subsidiary of the Company

Yungang Thermal Power Company, a wholly-owned subsidiary of the Company, entered into the Coal Purchase and Sale Framework Agreement (Shanxi) with Datang Shanxi Fuel Company to purchase coal from Datang Shanxi Fuel Company with a maximum annual transaction amount of approximately RMB60 million for a term commencing from the effective date of the agreement to 31 December 2017.

- II. Purchase of Coal from Datang Gansu Fuel Company by Liancheng Power Generation Company, a controlled subsidiary of the Company

Liancheng Power Generation Company, a controlled subsidiary of the Company, entered into the Coal Purchase and Sale Framework Agreement (Gansu) with Datang Gansu Fuel Company to purchase coal from Datang Gansu Fuel Company with a maximum annual transaction amount of approximately RMB252 million for a term commencing from the effective date of the agreement to 31 December 2017.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries holds 34.77% of the issued share capital of the Company. Datang Shanxi Fuel Company and Datang Gansu Fuel Company are subsidiaries of CDC. Therefore, such companies are connected persons of the Company. The transactions under the Coal Purchase and Sale Framework Agreements constitute continuing connected transactions of the Company.

Since each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated transaction amount under the Coal Purchase and Sale Framework Agreements exceed 0.1% but are lower than 5%, the Coal Purchase and Sale Framework Agreements and the transactions thereunder are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

PURCHASE OF COAL FROM DATANG SHANXI FUEL COMPANY BY YUNGANG THERMAL POWER COMPANY, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. Coal Purchase and Sale Framework Agreement (Shanxi)

Date

13 June 2017

The Parties

Yungang Thermal Power Company and Datang Shanxi Fuel Company

Principal Terms

- (1) Subject Matter: Purchase of Coal by Yungang Thermal Power Company from Datang Shanxi Fuel Company during the term of the agreement.

The parties may, from time to time during the term of the agreement, enter into specific sale and purchase contracts in respect of the purchase of coal, and such specific sale and purchase contracts shall be subject to the terms of the Coal Purchase and Sale Framework Agreement (Shanxi).

- (2) Consideration: To be determined in the ordinary course of business on normal commercial terms on the basis of arm's length negotiation according to prevailing market conditions.

- (3) Settlement and payment: Settlement shall be made by the relevant parties in accordance with the confirmed settlement invoice.
- (4) Term: Commencing from the effective date of the agreement to 31 December 2017.
- (5) The Coal Purchase and Sale Framework Agreement (Shanxi) becomes effective when it is duly signed by the legal representatives or authorized representatives of both parties with their company seals affixed thereto.

Annual Cap

It is expected that the maximum annual transaction amount in respect of the Coal Purchase and Sale Framework Agreement (Shanxi) for the year ending 31 December 2017 is RMB60 million; such amount is determined with reference to (i) the anticipated quantity of coal to be purchased by Yungang Thermal Power Company from Datang Shanxi Fuel Company for the year ending 31 December 2017; and (ii) the estimated market price of coal.

Historical Transaction Amounts

From 2014 to the date of this announcement, no business in relation to sale and purchase of coal was carried out between Yungang Thermal Power Company and Datang Shanxi Fuel Company.

2. Coal Purchase and Sale Framework Agreement (Gansu)

Date

13 June 2017

The Parties

Liancheng Power Generation Company and Datang Gansu Fuel Company

Principal Terms

- (1) Subject Matter: Purchase of Coal by Liancheng Power Generation Company from Datang Gansu Fuel Company during the term of the agreement.

The parties may, from time to time during the term of the agreement, enter into specific sale and purchase contracts in respect of the purchase of coal, and such specific sale and purchase contracts shall be subject to the terms of the Coal Purchase and Sale Framework Agreement (Gansu).

- (2) Consideration: To be determined in the ordinary course of business on normal commercial terms on the basis of arm's length negotiation according to prevailing market conditions.
- (3) Settlement and payment: Settlement shall be made by the relevant parties in accordance with the confirmed settlement invoice.
- (4) Term: Commencing from the effective date of the agreement to 31 December 2017.
- (5) The Coal Purchase and Sale Framework Agreement (Gansu) becomes effective when it is duly signed by the legal representatives or authorized representatives of both parties with their company seals affixed thereto.

Annual Cap

It is expected that the maximum annual transaction amount in respect of the Coal Purchase and Sale Framework Agreement (Gansu) for the year ending 31 December 2017 is RMB252 million; such amount is determined with reference to (i) the anticipated quantity of coal to be purchased by Liancheng Power Generation Company from Datang Gansu Fuel Company as of the year ending 31 December 2017; and (ii) the estimated market price of coal.

Historical Transaction Amounts

From 2014 to the date of this announcement, no business in relation to sale and purchase of coal was carried out between Liancheng Power Generation Company and Datang Gansu Fuel Company.

PROCEDURES FOR DETERMINATION OF COAL TRANSACTION PRICE

The consideration for the purchase of coal under the Coal Purchase and Sale Framework Agreements is to be determined with reference to the market price of coal and on normal commercial terms on the basis of arm's length negotiation according to prevailing market conditions. The Company has also taken into account the following factors in determination of the price:

- (1) Purchase costs of coal, including purchase costs of coal, transportation costs, insurance expenses, principal business tax and other expenses.
- (2) Professional departments of Yungang Thermal Power Company and Liancheng Power Generation Company are responsible for researching the coal market and making reference with the market changes and trends of this year, especially for those arising from national policy factors recently, for determination of pricing.

- (3) The pricing basis is determined with reference to the trend of change in price of coal in Bohai Rim.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COAL PURCHASE AND SALE FRAMEWORK AGREEMENTS

The Company is of the view that, by fully taking advantage of professional fuel companies in corresponding areas, the aforesaid coal purchase and sale connected transactions are able to stabilize and safeguard the supply as well as expand the supply channels so as to stabilize the coal market prices in a certain extent and conserve fuel costs as a whole.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Coal Purchase and Sale Framework Agreements is on normal commercial terms during the ordinary course of business of the Company, and that the relevant transactions are fair, equitable and reasonable, and have been entered into on normal commercial terms and are in the interests of the Company and the shareholders as a whole.

APPROVAL FROM THE BOARD

The 14th meeting of the ninth session of the Board of the Company considered and approved the Proposal on Coal Connected Transaction of Certain Subsidiaries (for details, please refer to the overseas regulatory announcement of the Company dated 23 May 2017).

None of the Directors of the Company has material interest in the transactions under the Coal Purchase and Sale Framework Agreements. Connected Directors, namely Chen Jinhang, Liu Chuandong and Liang Yongpan, have abstained from voting for the relevant resolution at the relevant Board meeting pursuant to the listing rules of the Shanghai Stock Exchange.

INFORMATION ON THE PARTIES TO THE AGREEMENTS

1. Yungang Thermal Power Company is a wholly-owned subsidiary of the Company. It is currently running two 220MW and two 300MW coal-fired generating units.
2. Liancheng Power Generation Company, a controlled subsidiary of the Company, is currently running two 330MW coal-fired generating units, which is held as to 55%, 25% and 20% by the Company, GD Power Development Co., Ltd. and Gansu Power Investment Longneng Company Limited, respectively.
3. Datang Shanxi Fuel Company is a direct wholly-owned subsidiary of CDC. It is principally engaged in coal business and other businesses.

4. Datang Gansu Fuel Company is a controlled subsidiary of CDC. It is principally engaged in coal business and other businesses.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC is the controlling shareholder of the Company, which together with its subsidiaries holds 34.77% of the issued share capital of the Company. Datang Shanxi Fuel Company and Datang Gansu Fuel Company are subsidiaries of CDC. Therefore, such companies are connected persons of the Company. The transactions under the Coal Purchase and Sale Framework Agreements constitute continuing connected transactions of the Company.

Since each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated transaction amount under the Coal Purchase and Sale Framework Agreements exceed 0.1% but are lower than 5%, the Coal Purchase and Sale Framework Agreements and the transactions thereunder are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CLARIFICATION

Reference is made to the overseas regulatory announcement of the Company dated 23 May 2017 which provides, amongst others, that the Coal Purchase and Sale Framework Agreements are to be submitted to the general meeting of the Company for shareholders' consideration and approval.

As each of the applicable percentage ratio of the transactions contemplated under the Coal Purchase and Sale Framework Agreements is less than 5%, the Company hereby clarifies that such transactions are subject to the reporting and announcement requirements only and are exempt from the independent shareholders' approval requirements 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
“CDC”	China Datang Corporation, a state-owned enterprise established under the laws of the PRC and is the controlling shareholder of the Company which, together with its subsidiaries, owns approximately 34.77% of the issued share capital of the Company as at the date of this announcement

“Coal Purchase and Sale Framework Agreements”	Coal Purchase and Sale Framework Agreement (Shanxi) and Coal Purchase and Sale Framework Agreement (Gansu)
“Coal Purchase and Sale Framework Agreement (Gansu)”	the coal purchase and sale framework agreement entered into between Liancheng Power Generation Company and Datang Gansu Fuel Company on 13 June 2017
“Coal Purchase and Sale Framework Agreement (Shanxi)”	the coal purchase and sale framework agreement entered into between Yungang Thermal Power Company and Datang Shanxi Fuel Company on 13 June 2017
“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(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Datang Gansu Fuel Company”	Gansu Datang Fuel Limited Company Ltd, a subsidiary of CDC, details of which are set out in the section entitled “Information on the Parties to the Agreements”
“Datang Shanxi Fuel Company”	Datang Shanxi Electric Power Fuel Company Limited, a subsidiary of CDC, details of which are set out in the section titled “Information on the Parties to the Agreements”
“Directors”	the director(s) of the Company
“Liancheng Power Generation Company”	Gansu Datang International Liancheng Power Generation Company Ltd, a controlled subsidiary of the Company, details of which are set out in the section entitled “Information on the Parties to the Agreements”
“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
“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 Agreements”
“%”	percent

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 13 June 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*