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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
FACTORING BUSINESS COOPERATION AGREEMENT**

FACTORING BUSINESS COOPERATION AGREEMENT

The Board hereby announces that on 27 May 2019, the Company entered into the Factoring Business Cooperation Agreement with Datang Factoring Company, pursuant to which, Datang Factoring Company shall provide factoring business support to the Company and its subsidiaries for an aggregate value of not exceeding RMB2 billion for 12 months from the date of execution of the Factoring Business Cooperation Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CDC, the controlling shareholder of the Company, together with its subsidiaries hold approximately 53.09% of the issued share capital of the Company. Since Datang Factoring Company is a subsidiary of CDC, Datang Factoring Company is a connected person of the Company. Accordingly, the Factoring Business Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Factoring Business Cooperation Agreement is more than 0.1% but less than 5%, the Factoring Business Cooperation Agreement and the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

FACTORING BUSINESS COOPERATION AGREEMENT

Date

27 May 2019

Parties

- (i) The Company; and
- (ii) Datang Factoring Company, a subsidiary of CDC

Subject matter

Pursuant to the Factoring Business Cooperation Agreement, Datang Factoring Company shall provide factoring business support to the Company and its subsidiaries for an aggregate value of not exceeding RMB2 billion for 12 months from the effective date of the Factoring Business Cooperation Agreement.

The parties may, during the term of the agreement, enter into specific factoring contracts in accordance with the terms of the Factoring Business Cooperation Agreement, and such specific factoring contracts shall be subject to the terms of the Factoring Business Cooperation Agreement.

Term of the agreement

A term of 12 months, commencing from the effective date of the Factoring Business Cooperation Agreement.

Major terms of the agreement:

- (1) Datang Factoring Company shall, in accordance with the requirements of the Company and after considering the relevant policies of the state, market conditions and product features, offer rates which are the same or more favourable than those provided by other commercial factoring companies in the PRC so as to help the Company to lower its financial costs and optimise its financial structure.
- (2) Datang Factoring Company shall provide factoring business support (including but not limited to arranging businesses such as account receivables factoring and reverse factoring) to the Company in respect of the Company's key investment and construction projects in sectors such as thermal power, hydropower, wind power and recycling economy for an aggregate value of not exceeding RMB2 billion.

- (3) Leveraging on its professional advantage in the financial business, Datang Factoring Company shall provide the Company with various economic consulting services in respect of the design of account receivables factoring products and the transaction arrangements, etc..
- (4) Datang Factoring Company shall, upon thorough negotiations with the Company, select appropriate projects and shall design and offer customised factoring business proposals within the scope of the Company's business development and plan.
- (5) The agreement shall become effective when it is duly signed by the parties and affixed with their respective company seals.

Pricing policy and internal control measures

Datang Factoring Company shall provide the Company with the most favourable rates for fees according to the needs of the Company, taking into account the relevant policies and regulations of the PRC, the supply of and demand for capital in the market as well as the structural features of factoring products. The general rates for fees shall be equivalent to or more favourable than those offered by the other domestic commercial factoring companies. Datang Factoring Company shall help the Company to reduce the finance costs and optimise the financial structure while ensuring that the capital needs of the Company are met.

Prior to cooperation with Datang Factoring Company, the Company shall collect information about the terms and conditions of the relevant transactions and their respective interest rates from other domestic commercial factoring companies that are independent of the Company and its connected persons, and compare them with the benchmark interest rates on term loans issued by the People's Bank of China to ensure that the Company is offered with the most favourable terms, the general rates for fees of the relevant transactions shall be equivalent to or more favourable than those offered by the other domestic commercial factoring companies in the PRC, and strive for the maximization of the Company's overall interests.

According to the requirements of management system of the connected transactions of the Company, the finance management department of the Company is responsible for monitoring the transaction amounts relating to the proposed annual caps under the Factoring Business Cooperation Agreement by developing management accounts for continuing connected transactions and designating specialists for management and maintenance, and consolidating and preparing statistics for the transaction amounts incurred in the continuing connected transactions on a monthly basis. The Company will re-comply with the necessary approval procedures in accordance with the Listing Rules in respect of continuing connected transactions that are expected to exceed their annual caps.

Historical Amounts

The Company has not entered into any factoring business transactions with Datang Factoring Company prior to the signing of the Factoring Business Cooperation Agreement.

Annual cap

The Company expects that the annual cap of the proposed transactions under the Factoring Business Cooperation Agreement is RMB2 billion for 12 months commencing from 27 May 2019, the effective date of the agreement, and ending on 26 April 2020.

The above proposed annual cap is determined with reference to the following factors: (i) it is anticipated that the account payables and account receivables of the Company will amount to approximately RMB40 billion in total for the coming 12 months, with financing needs of the Company to be partially met by obtaining factoring business support; (ii) the amount of account payables and account receivables in the latest financial statements of the Company, which is approximately RMB40 billion; (iii) the expected volume of factoring business in the relatively short term; and (iv) the scale of operations of Datang Factoring Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING BUSINESS COOPERATION AGREEMENT

The relevant arrangements under the Factoring Business Cooperation Agreement are beneficial to the Company to revitalise assets and control the risk of accounts receivables, as well as efficiently and conveniently obtaining low-cost financing by making good use of the resources and business advantages of Datang Factoring Company, so as to promote the Company's business development.

The Directors (including the independent non-executive Directors) are of the view that the relevant terms of the Factoring Business Cooperation Agreement are fair and reasonable, have been entered into after arm's length negotiations and determined on normal commercial terms and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

APPROVAL OF THE BOARD

The thirty-fourth meeting of the ninth session of the Board has considered and approved the "Resolution on Conducting Factoring Cooperation Business with Datang Commercial Factoring Co., Ltd.", details of which were set out in the overseas regulatory announcement of the Company dated 28 March 2019.

None of the Directors has any material interest in the Factoring Business Cooperation Agreement. Those connected Directors, including Chen Feihu, Wang Sen and Liang Yongpan, have abstained from voting on the relevant resolution in accordance with the requirements of the listing rules of the Shanghai Stock Exchange.

“CDC”	China Datang Corporation Ltd., a wholly state-owned company established under the laws of the PRC and is the controlling shareholder of the Company. For details, please refer to the section headed “Information of the Relevant Parties” 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. For details, please refer to the section headed “Information of the Relevant Parties” of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Datang Factoring Company”	Datang Commercial Factoring Company Limited (大唐商業保理有限公司), a company established under the laws of the PRC and a subsidiary of the Company. For details, please refer to the section headed “Information of the Relevant Parties” of this announcement
“Director(s)”	the director(s) of the Company
“Factoring Business Cooperation Agreement”	the factoring business cooperation agreement entered into between the Company and Datang Factoring Company on 27 May 2019
“Independent Shareholder(s)”	Shareholder(s) other than CDC and its associates, and who are not involved in or interested in the transactions contemplated under the Factoring Business Cooperation Agreement
“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
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 27 May 2019

As at the date of this announcement, the directors of the Company are:

Chen Feihu, Wang Sen, Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Zhang Ping, Jin Shengxiang, Liu Jizhen, Feng Genfu*, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu**

** Independent non-executive Director*