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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: 991)

ANNOUNCEMENT

DISCLOSEABLE AND CONNECTED TRANSACTION

INVESTMENT AGREEMENT

The Board announces that on 11 April 2008, the Company entered into the Investment Agreement with Beijing Gas Group, CDC and New Horizon Capital to establish the Keqi Coal-based Gas Company, for the purposes of planning, constructing and operating the Keqi Coal-based Gas Project. The Company, Beijing Gas Group, CDC and New Horizon Capital agreed to contribute to the establishment of Keqi Coal-based Gas Company in the proportion of 51%, 33%, 6% and 10%, respectively.

DISCLOSEABLE AND CONNECTED TRANSACTION

Pursuant to the Listing Rules, as the consideration ratio and assets ratio (as defined in Rule 14.07 of the Listing Rules) are more than 5% but less than 25%, the Investment Agreement constitutes a discloseable transaction of the Company by virtue of Rule 14.04(1)(f) of the Listing Rules which is subject to the notification and announcement requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

As at the date of the Investment Agreement, CDC held approximately 33.74% of the issued share capital of the Company. Accordingly, CDC is a connected person of the Company under the Listing Rules and the Investment Agreement constitutes a connected transaction of the Company by virtue of Rule 14A.13(1)(a) of the Listing Rules. As each of the assets and consideration ratios (as defined in Rule 14.07 of the Listing Rules) is more than 2.5%, the Investment Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under

Chapter 14A of the Listing Rules. The Company will also disclose the relevant details in the next published annual report and accounts of the Company in accordance with the relevant requirements as set out in Rule 14A.45 of the Listing Rules. A circular containing details of the Investment Agreement, a letter from the Independent Board Committee, and a letter from the independent financial advisor, both advising the terms of the Investment Agreement, together with the notice of the general meeting, will be despatched to the Shareholders as soon as practicable.

INVESTMENT AGREEMENT

Date

11 April 2008

Parties to the Investment Agreement

1. The Company,
2. Beijing Gas Group,
3. CDC, and
4. New Horizon Capital

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, each of Beijing Gas Group and New Horizon Capital (and their ultimate beneficial owner) are third parties independent of the Company and connected persons of the Company.

Major Terms of the Investment Agreement

Pursuant to the Investment Agreement, the Company, Beijing Gas Group, CDC and New Horizon Capital agreed to contribute in cash to the establishment of Keqi Coal-based Gas Company in the proportion of 51%, 33%, 6% and 10%, respectively, for the purposes of planning, constructing and operating the Keqi Coal-based Gas Project.

The Keqi Coal-based Gas Project involves a total investment of approximately RMB18,780,000,000 (equivalent to approximately HK\$20,867,000,000). The total capital commitment of the Company will be RMB9,577,800,000 (i.e. 51% of the total investment amount of RMB18,780,000,000). The ultimate registered capital of Keqi Coal-based Gas Company is approximately 30% of the total investment of the project, which is approximately RMB5,634,000,000 (equivalent to approximately HK\$6,260,000,000)

Pursuant to the Investment Agreement, the initial registered capital of Keqi Coal-based Gas Company is RMB100,000,000 (equivalent to approximately HK\$111,111,111). The Company, Beijing Gas Group, CDC and New Horizon Capital will be responsible for contributing by way of cash in the proportion of 51%, 33%, 6% and 10%, respectively (i.e., the approximate sums of RMB51,000,000 (equivalent to approximately HK\$56,666,667), RMB33,000,000 (equivalent to approximately HK\$36,666,667), RMB6,000,000 (equivalent to approximately HK\$6,666,667) and RMB10,000,000 (equivalent to approximately HK\$11,111,111), respectively), to the initial registered capital of Keqi Coal-based Gas Company. As at the date of this announcement, the respective parties to the Investment Agreement have not contributed any registered capital to Keqi Coal-based Gas Company. The Company's contribution to the registered capital of Keqi Coal-based Gas Company will be funded by internal resources.

The respective parties to the Investment Agreement agree that they will increase the registered capital of Keqi Coal-based Gas Company in stages based on the construction progress of the Keqi Coal-based Gas Project, and the Company, Beijing Gas Group, CDC and New Horizon will contribute to the increased registered capital in the same proportion as their respective contributions to the aforesaid initial registered capital of Keqi Coal-based Gas Company.

Pursuant to the Investment Agreement, all funds required for the construction of the Keqi Coal-based Gas Project will be funded by the registered capital of Keqi Coal-based Gas Company and financing resources in the PRC, [i.e., loans from banks.] The respective parties to the Investment Agreement agree to, if necessary, provide guarantees to Keqi Coal-based Gas Company's financing in proportion to their respective capital contributions, while Keqi Coal-based Gas Company will provide a counter-guarantee with its assets and earnings or with other feasible means as a security against the guarantees provided by the respective parties to the Investment Agreement. In the event of any further capital injections or other guarantees against borrowings required upon the Company, the Company will comply with the relevant requirements under the Listing Rules if and when necessary.

Effective Date of the Investment Agreement

The Investment Agreement will become effective once the respective parties to the Investment Agreement have respectively obtained their internal approvals and the approvals from the relevant government authorities of the PRC for the investment items in the Investment Agreement. As at the date of this announcement, the Investment Agreement has been approved by the internal competent authorities of Beijing Gas Group, CDC, New Horizon Capital. However, the Investment Agreement is yet to be approved by the Independent Shareholders pursuant to the Articles of Association and the Listing Rules.

Since New Horizon Capital is a fund company set up in Hong Kong, the Investment Agreement is subject to the approval by the Ministry of Commerce. As at the date of this announcement, the approval of the Investment Agreement by the Ministry of Commerce is still pending.

Other Major terms of the Investment Agreement

The term of operation of Keqi Coal-based Gas Company shall be 30 years from the date of issuance of the relevant business license.

Information relating to Keqi Coal-based Gas Company

Pursuant to the Investment Agreement, Keqi Coal-based Gas Company, upon its establishment, will plan, construct and operate the Keqi Coal-based Gas Project, which is located in Kesheketeng Qi, Chifeng City, Inner Mongolia. Keqi Coal-based Gas Project, will use the brown coal from the Shengli Coalfield which is 5 km from the northwest of Xilinhaote, Inner Mongolia, as raw materials and fuels, and apply developed and reliable gasification technology. Natural gas, the principal product, will be transmitted by a long-distance pipeline covering 440 km in total which runs from the project site (Kesheketeng Qi destination) to the final destination in Miyun, Beijing, the PRC. The final size of the Keqi Coal-based Gas Project is subject to the approval by the relevant government authorities of the PRC. The Keqi Coal-based Gas Project will be constructed in three stages. The whole project is expected to be completed by 2012 and is expected to produce 4,000,000,000 cubic meters of natural gas and other by-products per annum upon commencement of production.

Keqi Coal-based Gas Company will become a subsidiary of the Company upon its establishment and the results of Keqi Coal-based Gas Company will be consolidated in to the accounts of the Company subsequent to its establishment

Even though the current domestic market demand for the clean energy source of natural gas is substantially larger than its supply, and that the market prices of natural gas rise along with the increase of prices of other energy sources such as petroleum and coal, the future benefits to be derived by Keqi Coal-based Gas Company will be considerably affected in the event that the market prices of natural gas fluctuate in the future. The Company will closely monitor the trend of domestic and international natural gas prices, as well as striving to achieve a stronger risk-resistant ability for Keqi Coal-based Gas Company.

Information relating to the Group

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

Information relating to Beijing Gas Group

Beijing Gas Group is a wholly-owned subsidiary of Beijing Enterprises Holding Company Limited, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited.

Beijing Enterprises Group Company Limited, a state-owned enterprise in the PRC, is the beneficial controller of Beijing Enterprises Holding Company Limited. Beijing Gas Group has a registered capital of RMB1,980,000,000 and is principally engaged in the city-gas pipeline business.

Information relating to New Horizon Capital

New Horizon Capital is a fund company set up in May 2007 in Hong Kong. The investors of the fund comprise more than 20 internationally-renowned institutions. The fund size is US\$500,000,000. New Horizon Capital is a secondary fund under management by the team, investing largely in various industries such as manufacturing, new energy, consumables, biomedicines and automobile accessories and parts.

Information relating to CDC

CDC is a state-owned enterprise and its registered capital is RMB12,000,000,000. Its main scope of operations are the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales, power technology development and consultation.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The Company has devised the objective of diversification of business structure, and the Company's investment in and construction of Keqi Coal-based Gas Project will allow the Company to develop on the aspect of clean energy production. The Keqi Coal-based Gas Project is located in an area with abundant coal resources which provides a reliable source of raw

materials and fuels to the Keqi Coal-based Gas Project, and with abundant water resources and convenient transportation facilities which will help to lower the operation costs of the Keqi Coal-based Gas Project. Moreover, the Keqi Coal-based Gas Project aims to supply gas largely to Beijing and to cities along the gas transmission pipeline upon its completion. As a political, cultural and financial center of the PRC, Beijing has an enormous demand for clean energy – natural gas, given its higher requirement for the quality of the air environment. The Company believes the Keqi Coal-based Gas Project, upon its completion, will benefit from the growing demand for clean energy in Beijing and the cities along the gas transmission pipeline, which in turn will enhance the Company’s profitability as a whole. The Directors believe that entering into the Investment Agreement will facilitate the profit growth of the Company.

The terms of the Investment Agreement were negotiated on an arm’s length basis between the Company and the parties thereto and were determined on normal commercial terms. The Directors (excluding the independent non-executive directors whose views will be contained in the circular to be dispatched to the shareholders in accordance with the requirements of the Listing Rules taking into account the advice from the independent financial adviser) consider that the terms of Investment Agreement are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

DISCLOSEABLE AND CONNECTED TRANSACTION

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in Hong Kong and listed on The Stock Exchange of Hong Kong Limited

“Board”	the board of directors of the Company
“CDC”	China Datang Corporation, a state-owned enterprise established under the laws of the PRC and a controlling Shareholder of the Company holding approximately 33.74% of the issued share capital of the Company 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, of which the H Shares are listed on The Stock Exchange of Hong Kong Limited and The London Stock Exchange Limited and the A Shares are listed on the Shanghai Stock Exchange
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent shareholders”	the shareholders other than the connected persons of the Company; CDC and its associates have to be abstained from voting in approving the Investment Agreement in the general meeting
“Independent Board Committee”	the independent board committee of the Company, comprising four independent non-executive Directors

“Investment Agreement”	the investment agreement entered into on 11 April 2008 by the Company, Beijing Gas Group, New Horizon Capital and CDC to establish the Keqi Coal-based Gas Company, for purpose of planning, constructing and operating the Keqi Coal-based Gas Project
“Keqi Coal-based Gas Company”	Inner Mongolia Datang International Keqi Coal-based Gas Company Limited
“Keqi Coal-based Gas Project”	the coal conversion project involving the expected production of 4,000,000,000 cubic meters of natural gas and other by-products per annum in Kesheketeng Qi, Inner Mongolia
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ministry of Commerce”	Ministry of Commerce of the PRC
“New Horizon Capital”	新天域資本顧問有限公司 (New Horizon Capital Advisors Limited), a fund company established in Hong Kong
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“%”	per cent.

Note: Unless otherwise specified and for reference only, the conversion of Hong Kong dollars into Renminbi is based on the exchange rate of HK\$1= RMB0.9 in this announcement.

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 11 April 2008

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

Zhai Ruoyu, Zhang Yi, Hu Shengmu, Fang Qinghai, Zhou Gang, Liu Haixia, Guan Tiangang, Su Tiegang, Ye Yonghui, Li Gengsheng, Xie Songlin, Liu Chaoan*, Yu Changchun* and Xia Qing**

** Independent non-executive Directors*