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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 stock limited company incorporated in the People's Republic of China)
(Stock Code: 00991)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

CAPITAL CONTRIBUTION AGREEMENT

On 16 April 2014, the Company, EDF China and Fuzhou Power Generation Company entered into the Subscription Agreement and Joint Venture Contract.

1. On 16 April 2014, the Company, EDF China and Fuzhou Power Generation Company entered into the Subscription Agreement, pursuant to which, Fuzhou Power Generation Company will carry out capital increase to satisfy its development needs. EDF China and the Company agreed to participate in the capital increase. Upon completion of the Initial Capital Contribution, the equity structure of Fuzhou Power Generation Company will be changed into: 51% of its equity interest to be held by the Company and 49% of its equity interest to be held by EDF China.
2. On 16 April 2014, the Company and EDF China entered into the Joint Venture Contract to jointly finance the construction of the Fuzhou Power Generation Project, with the related rights and obligations of both parties provided.
3. According to the Joint Venture Contract, it is possible that the accounts of Fuzhou Power Generation Company will no longer be consolidated into the financial statements of the Company upon completion of the Initial Capital Contribution.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Capital Contribution Agreement is more than 5% but less than 25%, the Capital Contribution Agreement constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

BACKGROUND

Fuzhou Power Generation Company, a wholly-owned subsidiary of the Company, is principally engaged in development, construction, operation and maintenance of power projects as well as power generation and marketing. Currently, it is mainly responsible for development and construction of 2 x 1,000 MW ultra-supercritical coal-fired generating units and all the necessary facilities for power generation.

On 16 April 2014, the Company, EDF China and Fuzhou Power Generation Company entered into the Subscription Agreement, pursuant to which, Fuzhou Power Generation Company will carry out capital increase to satisfy its development needs. EDF China and the Company agreed to participate in the capital increase, in which EDF China and the Company agreed to subscribe for RMB887,691,840 and RMB239,924,160, respectively, of the registered capital of Fuzhou Power Generation Company. Apart from that, EDF agreed to contribute RMB130,000,000 as capital reserve.

Upon completion of the Initial Capital Contribution, the equity structure of Fuzhou Power Generation Company will be changed to: 51% of its equity interest to be held by the Company and 49 % of its equity interest to be held by EDF China.

Given the Subscription Agreement was entered into, the Company and EDF China entered into the Joint Venture Contract on 16 April 2014 to jointly finance the construction of the Fuzhou Power Generation Project, with the related rights and obligations of both parties provided.

SUBSCRIPTION AGREEMENT

Date

16 April 2014

Parties

The Company, EDF China, and Fuzhou Power Generation Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, EDF China and its ultimate beneficial owner are third parties independent of the Company and its connected person.

Subject matter of the Subscription Agreement

1. Basis of pricing

According to the Audit Report of Fuzhou Power Generation Company issued by Ruihua China CPAs (Special Ordinary Partnership), Fuzhou Power Generation Company had total assets of RMB825.2242 million, total liabilities of RMB141.2242 million and net assets of RMB684 million as at 31 October 2013, the benchmark day of audit.

According to the Appraisal Report about Fuzhou Power Generation Company issued by Zhongtianhe Asset Appraisal Company, an independent valuer, using asset-based method, the estimated value of total equity capital of Fuzhou Power Generation Company as at 31 October 2013, the benchmark day of appraisal, was RMB698.3987 million, representing an increase of RMB14.3987 million or 2.11% compared to the audited book value of its net assets.

The capital contribution of RMB1,017,691,840 (or equivalent US dollars or euros) to be made by EDF China to Fuzhou Power Generation Company is determined after negotiation by the parties taking into account the assessed value of Fuzhou Power Generation Company as at 31 October 2013 made by Zhongtianhe Asset Appraisal Company and the subsequent investment to be made by EDF China to Fuzhou Power Generation Company.

2. Major terms of the Subscription Agreement

(1) Subscription amount

- i. EDF China agreed to make a capital contribution in the total sum of RMB1,017,691,840 (or equivalent US dollars or euros) to Fuzhou Power Generation Company, including RMB887,691,840 (or equivalent US dollars or euros) as registered capital and RMB130,000,000 as capital reserve.
- ii. The Company agreed to make capital contribution in the sum of RMB239,924,160 as registered capital of Fuzhou Power Generation Company.

(2) Time of making capital contribution

- i. EDF China agreed to make capital contribution of RMB657,176,470.58 (or equivalent US dollars or euros) as the Initial Capital Contribution within 10 working days after the satisfaction of all the conditions for the Initial Capital Contribution (as set out in item (3) below);
- ii. EDF China agreed to make capital contribution of RMB130,000,000 (or equivalent US dollars or euros) as the second installment of capital contribution which is payable within 20 working days after the Settlement Day;
- iii. EDF China agreed to make capital contribution of RMB230,515,369.42 (or equivalent US dollars or euros) on the same day when the Company makes capital contribution in full (i.e., RMB239,924,160) to Fuzhou Power Generation Company as the third installment of capital contribution; and
- iv. The Company agreed to make capital contribution in the sum of RMB239,924,160 to Fuzhou Power Generation Company in one lump sum during the period between 1 January 2015 and 31 December 2015 according to the needs of Fuzhou Power Generation Company.

(3) Conditions for making the Initial Capital Contribution

The conditions for making the Initial Capital Contribution by EDF China principally include, amongst other conditions, the following:

- i. Fuzhou Power Generation Company (as the borrower) has entered into financing documents without recourse with related banks (as the lender), which will provide Fuzhou Power Generation Company with loans with a term at least 15 years, a grace period of at least 3 years, and total amount of not less than RMB5.96 billion (excluding any working capital loans);
- ii. At the discretion of EDF China, no material adverse change of Fuzhou Power Generation Company existed.

(4) Equity structure: Upon completion of the Initial Capital Contribution, the equity structure of Fuzhou Power Generation Company will be changed to: 51% of its equity interest to be held by the Company and 49% of its equity interest to be held by EDF China.

(5) Effective date: The Subscription Agreement will become effective upon the satisfaction of all the conditions, amongst others, the material conditions are as follows:

- i. The Board of the Company voted and passed the resolution to approve the subscription and the signing and execution of the relevant transaction documents;
- ii. EDF China obtained approval and resolution from its shareholders regarding the subscription;
- iii. Completion of the assessment on the value of the new equity interest to be held by EDF China in Fuzhou Power Generation Company under the Subscription Agreement by an asset valuation company which is recognised by both of the Company and EDF China and possesses relevant qualifications, and the results of such assessment has been filed to China Datang Corporation according to relevant PRC laws;
- iv. The transaction documents are duly signed by the relevant parties and have not undergone significant revisions;
- v. EDF China obtained approval of the subscription without any conditions by the Anti-monopoly Bureau of the Ministry of Commerce of the People's Republic of China, or the Anti-corruption Bureau did not raise any objection regarding the subscription after the expiration of the statutory time limit of investigation; and
- vi. The subscription has been approved by the relevant approval authorities and the certificate of approval on foreign investment enterprise is obtained.

JOINT VENTURE CONTRACT

On 16 April 2014, the Company and EDF China entered into the Joint Venture Contract to set out the rights and obligations of both parties relating to the joint venture.

Date

16 April 2014

Parties

The Company, EDF China

Subject matter of the Joint Venture Contract

1. The registered capital of Fuzhou Power Generation Company is RMB1,811,616,000; and the total investment of the Fuzhou Power Generation Project is RMB7,771,616,000. The registered capital accounts for 23.31% of the total investment.
 - (1) The Company has made capital contribution of RMB684,000,000 to the registered capital of Fuzhou Power Generation Company as at the date of this announcement, and agreed to make further capital contribution of RMB239,924,160 in one lump sum by way of cash during the period from 1 January 2015 to 31 December 2015 according to the needs of Fuzhou Power Generation Company, accounting for 51% of the registered capital of Fuzhou Power Generation Company in total.
 - (2) EDF China agreed to make capital contribution of RMB887,691,840 (or equivalent US dollars or euros equivalent) by way of cash to the registered capital of Fuzhou Power Generation Company, accounting for 49% of its total registered capital.
2. Equity transfer
 - (1) The Company and EDF China can transfer all or part of the equity interests of Fuzhou Power Generation Company held by them respectively among each other.
 - (2) Subject to compliance with relevant laws and regulations in the PRC, either party (“Transferor”) is allowed to transfer all or part of the equity of Fuzhou Power Generation Company held by it to its associates at any time during the operation period, provided that such associate is engaged in the power industry, financially healthy and has the same capability as the Transferor to fulfill the Joint Venture Contract.
3. Tag-along right
 - (1) The Company agrees that the Company and its qualified associates (the “Group”) should always hold a total of at least 51% of the equity interest in Fuzhou Power Generation Company. If any member of the Group wishes to transfer part or all of its equity in Fuzhou Power Generation Company to a third party buyer so that the Group will hold less than 51% of the equity interest in Fuzhou Power Generation Company after such transfer, such transfer shall be subject to prior written approval of EDF China.

- (2) If the member of the Group, which contemplates to carry out the transfer, obtained written approval of the transfer by EDF China and wishes to proceed with the transfer, such member of the Group shall encourage a third party to propose a tender offer (the “tag-along offer”) to EDF China in order to purchase all instead of part of the equity interest (the “tag-along equity interest”) of Fuzhou Power Generation Company held by EDF China by way of cash, and the consideration shall be at least equal to the highest price offered or paid by any third party or any of its parties acting in concert in any transactions in relation to the equity interest of Fuzhou Power Generation Company held by any of the members of the Group during the proposed transfer or within three months before the day of the proposed transfer.

4. Responsibilities of the parties

Mainly include:

- (1) The Company agreed to assist Fuzhou Power Generation Company to apply for and obtain financing from banks and other institution in China, and obtain the consent, approval, registration and other necessary documents from all government departments during the application for financing;
- (2) The Company agreed to assist Fuzhou Power Generation Company to reach agreement on the loan repayment schedule with creditors of long-term loans, and assist Fuzhou Power Generation Company to enter into general terms agreement with creditors who requires the provision of guarantee;
- (3) During the operation period, in the event that Fuzhou Power Generation Company is unable to obtain loans without recourse, the parties shall negotiate in good faith to obtain other types of financing; and only in the event that Fuzhou Power Generation Company is unable to obtain other types of financing, the parties can opt to provide shareholders’ guarantee according to their respective holdings of equity interest in Fuzhou Power Generation Company to enable Fuzhou Power Generation Company to obtain financing.

5. The composition and duration of the board of directors

The board of directors of Fuzhou Power Generation Company consists of five directors, each for a term of three years. Three of the directors are to be appointed by the Company and two of the directors are to be appointed by EDF China.

The board of directors has a chairman, who is to be assumed by a director appointed by the Company; and a vice-chairman, who is to be assumed by a director appointed by EDF China. The chairman is the legal representative of Fuzhou Power Generation Company.

6. The composition and duration of the supervisory committee

The supervisory committee of Fuzhou Power Generation Company consists of three supervisors, each for a term of three years. One of the supervisors is to be appointed by the Company, one of the supervisors is to be appointed by EDF China and one of the supervisors is to be elected by the employees of Fuzhou Power Generation Company.

7. Operation period

The operation period of Fuzhou Power Generation Company is 30 years, commencing from the date of issuance of the business license.

8. Effective date of the contract

The Joint Venture Contract shall become effective when it is duly signed by the legal representatives or authorized agent of the contracting parties with their respective company seals affixed thereon, and is approved by their respective internal approval authority and the relevant approval authorities.

INFORMATION OF PARTIES RELATING TO THE CONTRIBUTION AGREEMENT

1. Fuzhou Power Generation Company: Established on 23 May 2008 and has registered capital of RMB684,000,000. Before the capital contribution under the Subscription Agreement, Fuzhou Power Generation Company is a wholly-owned subsidiary of the Company.

Its major areas of operation include: the development, construction, financing, owning, operating and maintenance of power generation units, production and sales of electricity, and all by-products in relation to relevant business activities including sale of power generation units, consulting, services and application of energy technology, and investment in railway.

Fuzhou Power Generation Company is located in Fuzhou City, Jiangxi Province, PRC, and is currently under development and construction. Fuzhou Power Generation Company has 2 x1,000 MW ultra-supercritical coal-fired power generating units and all the necessary facilities for power generation, including flue gas desulfurization facilities and other auxiliary facilities. Fuzhou Power Generation Company currently holds approximately 7.72% of equity interest in Xiangpu Railway Corporation.

As at 31 December 2013, Fuzhou Power Generation Company has audited total assets of RMB1,016,746,672.16, total liabilities of RMB332,746,672.16 and net assets of RMB684,000,000.

Since Fuzhou Power Generation Company has not yet commenced production as at the date of this announcement, no net profit (both before and after taxation) was generated for the two years ended 31 December 2012 and 31 December 2013.

2. EDF China: incorporated on 14 May 1997, its predecessor was EDF Beijing Investment Co. Ltd. and changed to a fully foreign investment limited company on 20 November 2013 and is a wholly-owned subsidiary of Electricite De France. The registered capital of EDF China amounts to US\$31.05 million, and its areas of operation include but not limited to foreign investment in areas allowed by the State, purchasing and sale of electricity products, and engaging in technical support, research and development, consulting, etc.

Electricite De France is a large-scale power generation company with more than 60 years of experience in power generation development, a leader in the European energy market and the world's largest nuclear operator, and has comprehensive world-class industry competitiveness in nuclear power, thermal power, hydropower and new energy power generation.

With global installed capacity of 143.40 million kilowatts as at the end of 2013, EDF has become the world's largest power producer in terms of installed capacity and with the lowest unit carbon emission from power generation. As at the end of 2013, the overseas installed capacity of EDF recorded 43.20 million kilowatts.

3. 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. The Group's main service areas are in the PRC.

BENEFITS FROM AND REASONS FOR ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT

Fuzhou Power Generation Company is mainly engaged in the development, construction, operation and maintenance of power projects as well as power generation and marketing, and is currently carrying out the construction of large-scale power projects. Bringing in EDF China to hold equity in Fuzhou Power Generation Company will not only disperse investment pressure and reduce investment risks of Fuzhou Power Generation Company, but also further build up a solid foundation for the business development of Fuzhou Power Generation Company to meet its business development needs; the corporate nature of Fuzhou Power Generation Company will be also changed from a domestic enterprise into a Sino-foreign joint venture, thereby further improving its corporate governance. Meanwhile, by bringing in foreign investor and leveraging on the advanced production and management philosophy of foreign-invested enterprise, the management efficiency of Fuzhou Power Generation Company can be enhanced in order to improve the overall profitability of the Company.

The funds from the capital increase will be used for business expansion, capital expenditure and general working capital during usual course of operation of Fuzhou Power Generation Company.

The Directors consider that the relevant terms of the Capital Contribution Agreement are fair and reasonable and are fair and reasonable and conducted in the ordinary and usual course of business of the Company, and are in the interest of the Company and the shareholders as a whole.

According to the Joint Venture Contract, it is possible that the accounts of Fuzhou Power Generation Company will no longer be consolidated into the financial statements of the Company upon completion of the Initial Capital Contribution. Since Fuzhou Power Generation Company is still under construction, there will be no significant adverse impact on the financial and operating results of the Company for the current period. Meanwhile, according to the Company's estimate, if Fuzhou Power Generation Company will be consolidated into the financial statements of the Company upon completion of the Initial Capital Contribution, the capital reserve of the Company is expected to increase by approximately RMB66.30 million. If Fuzhou Power Generation Company will no longer be consolidated into the financial statements of the Company upon completion of the Initial Capital Contribution, then the profit of the Company is expected to increase by RMB113 million.

In the event that the accounts of Fuzhou Power Generation Company are no longer consolidated into the financial statements of the Company upon completion of the Initial Capital Contribution, the Company shall issue further announcement according to relevant rules and regulations.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Capital Contribution Agreement is more than 5% but less than 25%, the Capital Contribution Agreement constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Appraisal Report”	the appraisal report of Fuzhou Power Generation Company (Zhongtianhe Appraisal Report (2014) No. 90009) issued by Zhongtianhe Asset Appraisal Company
“Audit Report”	the unqualified audit report about Fuzhou Power Generation Company (Ruihua Special Audit (2013) No. 90300003) issued by Ruihua China CPAs (Special Ordinary Partnership)
“Board”	the board of Directors
“Capital Contribution Agreement”	the Subscription Agreement and the Joint Venture Contract
“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
“Director(s)”	the director(s) of the Company
“EDF China”	EDF (China) Investment Co. Ltd., a limited incorporated in China and is wholly owned by Electricite De France, a foreign company
“Fuzhou Power Generation Company”	Jiangxi Datang International Fuzhou Power Generation Co., Ltd.
“Fuzhou Power Generation Project”	2 x 1,000 MW ultra-supercritical coal-fired generating units and auxiliary facilities being developed and built in Fuzhou City, Jiangxi Province, PRC

“Initial Capital Contribution”	the initial capital contribution of RMB657,176,470.58 to be made by EDF China to Fuzhou Power Generation Company pursuant to the Subscription Agreement
“Joint Venture Contract”	the joint venture contract entered into between the Company and EDF China on 16 April 2014
“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
“Settlement Day”	the day on which Fuzhou Power Generation Company obtained a revised business license according to relevant regulations in accordance with the terms of the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement entered into between the Company, EDF China and Fuzhou Power Generation Company on 16 April 2014
“Xiangpu Railway Company”	Xiangpu Railway Co. Ltd., 7.72% of its equity interest is held by Fuzhou Power Generation Company. The Xiangpu Railway, invested and constructed by Xiangpu Railway Company, is the only fuel transportation railway of Fuzhou Power Generation Project
“Zhongtianhe Asset Appraisal Company”	Beijing Zhongtianhe Asset Appraisal Co., Ltd.
“%”	percent

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 17 April 2014

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

Chen Jinhang, Hu Shengmu, Wu Jing, Fang Qinghai, Zhou Gang, Li Gengsheng, Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang, Dong Heyi, Ye Yansheng*, Li Hengyuan*, Zhao Jie*, Jiang Guohua**

** Independent non-executive Directors*