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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
CONNECTED TRANSACTION
&
DISCLOSEABLE TRANSACTION**

ENTRUSTED LOAN FRAMEWORK AGREEMENT

On 27 August 2014, the thirteenth meeting of the eighth session of the Board considered and approved the provision of the Entrusted Loan of not more than RMB4 billion to Duolun Coal Chemical Company. On 27 August 2014, the Company, Energy and Chemical Company, Datang Finance Company and Duolun Coal Chemical Company entered into the Entrusted Loan Framework Agreement in relation to the provision of the Entrusted Loan of an aggregate amount of RMB4 billion by the Company or Energy and Chemical Company to Duolun Coal Chemical Company within the term of agreement, in which Datang Finance Company acts as the lending agent.

On 27 August 2014, the Company entered the Entrusted Loan Contract with Datang Finance Company and Duolun Coal Chemical Company according to the relevant terms as agreed in the Entrusted Loan Framework Agreement. The entrusted loan amount involved in the Entrusted Loan Contract was RMB140 million with a term of one year.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Entrusted Loan under the Entrusted Loan Framework Agreement is more than 5% but less than 25%, the Entrusted Loan Framework Agreement constitutes a discloseable transaction of the Company and is subject to the relevant requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, CDC together with its subsidiaries holds approximately 34.71% of the issued share capital of the Company. Duolun Coal Chemical Company is owned as to 60% and 40% by Energy and Chemical Company and CDC, respectively. Datang Finance Company is a subsidiary of CDC. Both Duolun Coal Chemical Company and Datang Finance Company are therefore connected persons of the Company and the transaction under the Entrusted Loan Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the principal of the Entrusted Loan under the Entrusted Loan Framework Agreement is more than 5%, the Entrusted Loan Framework Agreement and the Entrusted Loan Arrangement are subject to the reporting, announcement and approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

The Company will disclose the relevant details in the next annual report and accounts of the Company in accordance with the relevant requirements as set out in Chapter 14A of the Listing Rules. A circular containing details of the Entrusted Loan Arrangement and the Entrusted Loan Framework Agreement, a letter from the independent board committee of the Company and a letter from the independent financial advisor, both advising the Entrusted Loan Arrangement and the terms of the Entrusted Loan Framework Agreement is expected to be despatched to the Shareholders on or before 18 September 2014.

ENTRUSTED LOAN FRAMEWORK AGREEMENT

Date and Subject Matter

On 27 August 2014, the thirteenth meeting of the eighth session of the Board considered and approved the provision of the Entrusted Loan of not more than RMB4 billion to Duolun Coal Chemical Company. On 27 August 2014, the Company and Energy and Chemical Company entered into the Entrusted Loan Framework Agreement with Datang Finance Company and Duolun Coal Chemical Company in relation to the provision of the Entrusted Loan of an aggregate amount of RMB4 billion by the Company or Energy and Chemical Company to Duolun Coal Chemical Company within the term of agreement, in which Datang Finance Company acts as the lending agent.

Parties

1. The Company or Energy and Chemical Company, as the lender;
2. Datang Finance Company, as the lending agent; and
3. Duolun Coal Chemical Company, as the borrower.

MAJOR TERMS OF THE ENTRUSTED LOAN FRAMEWORK AGREEMENT

1. Entrusted Loan Framework Arrangement

Pursuant to the Entrusted Loan Framework Agreement, Datang Finance Company is entrusted by the Company or Energy and Chemical Company to act as a lending agent to, inter alia, release the Entrusted Loan by various tranches to Duolun Coal Chemical Company.

Each of the parties agrees that it shall enter into separate entrusted loan contracts, during the term of the Entrusted Loan Framework Agreement, in relation to the provision of the Entrusted Loan in tranches, provided that such separate entrusted loan contracts shall be in compliance with the principles, terms and conditions under the Entrusted Loan Framework Agreement.

2. Amount of the Entrusted Loan

During the term of the Entrusted Loan Framework Agreement, the total loan amount of Duolun Coal Chemical Company under the Entrusted Loan Framework Agreement shall not exceed RMB4 billion.

3. Term

One year commencing from the effective date of the Entrusted Loan Framework Agreement.

4. Interest rate

The loan interest rate was at a floating interest rate, being the benchmark interest rate to be charged for the same level of loans in RMB for the same term as announced by the People's Bank of China on the date when each tranche of loan is withdrawn plus 10%, and such interest rate is to be adjusted annually. The adjustment date is 21st December of each year. The adjusted borrowing interest rate will be the benchmark interest rate for the same level of loans in RMB for the same term announced by the People's Bank of China on the adjustment date plus 10%.

As at the date of this announcement, the prevailing benchmark interest rate for one-year loans in RMB as announced by the People's Bank of China is 6.15% per annum.

Such interest rate is arrived at after arm's length negotiation between the Company and Duolun Coal Chemical Company in consideration of the overall reduction in capital costs to the Group after the accounts of Duolun Coal Chemical Company (being the controlled subsidiary of the Company) are consolidated into the accounts of the Company.

5. Calculation of interests

Interests of the Entrusted Loan shall be accrued on quarterly basis. The settlement date falls on the twentieth (20th) day of the last month of each quarter.

6. Handling fee

The handling fee of the Entrusted Loan shall be charged on the date of grant of each tranche of the Entrusted Loan. The rate of the handling fee shall be 0.025% of the actual released amount. The handling fee is arrived at after considering the standard of handling fee of same scale of the entrusted loans charged by commercial banks and a discount is provided on this basis. The handling fee will be settled by Duolun Coal Chemical Company to Datang Finance Company in one lump sum on the date of grant of each tranche of the loan.

7. Uses of the Entrusted Loan

The loan will be utilised by Duolun Coal Chemical Company for the replacement of due borrowings, repayment of principal and interests, and the replenishment of liquidity.

8. Repayment schedule of the Entrusted Loan

One-off repayment of the principal for the Entrusted Loan upon maturity of each of the entrusted loan contract.

9. Effective date

The Entrusted Loan Framework Agreement shall become effective when it is duly signed by the legal representatives or authorised agents of both parties, with their respective company seals affixed thereon and upon the approval of the internal authority of each of the parties (or the internal approval procedures of each of the parties have been implemented, including obtaining the approval of the Entrusted Loan Framework Agreement by the independent Shareholders of the Company).

ENTRUSTED LOAN CONTRACT

Date and Subject Matter

On 27 August 2014, the Company entered into the Entrusted Loan Contract with Datang Finance Company and Duolun Coal Chemical Company according to the relevant terms as agreed in the Entrusted Loan Framework Agreement. The amount involved in the Entrusted Loan Contract was RMB140 million with a term of one year.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTED LOAN FRAMEWORK AGREEMENT

In view of the cooperation history between Datang Finance Company and the Company and given that the provision of entrusted loan services by Datang Finance Company is covered within the capital risks control measures under the Financial Services Agreement entered into between the Company and Datang Finance Company on 15 October 2013, Datang Finance Company has better understanding of the operations of the Company which will allow more expedient and efficient services than those rendered by other PRC commercial banks. Further, the handling fees charged by Datang Finance Company will not be higher than those charged by other PRC commercial banks. In view of the above considerations, the Company appointed Datang Finance Company, rather than other PRC commercial banks, as the lending agent.

Further, considering the capital risks control measures under the Financial Services Agreement and the terms under the Entrusted Loan Framework Agreement are normal commercial terms which confer no additional obligations nor risks on the Company when comparing with other entrusted loan agreements in the market, the Company considers that no additional risks will be involved by appointing Datang Finance Company as the lending agent under the Entrusted Loan Framework Agreement.

In order to ensure the replacement of due borrowings in schedule as well as to satisfy the need for liquidity of Duolun Coal Chemical Company, the Company intends to provide the Entrusted Loan of not exceeding RMB4 billion to Duolun Coal Chemical Company. The Company is of the view that the Entrusted Loan will be primarily utilized by Duolun Coal Chemical Company to replace the due borrowings and replenish its liquidity, and is thus beneficial for the smooth progress of the production and operation activities of Duolun Coal Chemical Company.

Considering the possible higher financial costs for Duolun Coal Chemical Company to obtain the current loan from other commercial banks when comparing with the financial costs incurred by the Company to obtain the funding of the Entrusted Loan, the Company considers that the overall capital costs to the Group will be relatively reduced after the accounts of Duolun Coal Chemical Company (being the subsidiary of the Company) are consolidated into the accounts of the Company.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the independent financial advisor) are of the view that the terms of the Entrusted Loan Framework Agreement are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms and is in the best interests of the Company and its Shareholders as a whole.

INFORMATION RELATING TO THE PARTIES OF THE AGREEMENT

1. Information relating to the Company

The Company 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 as well as the provision of power-related technical services. The main service areas of the Company are in the PRC.

2. Information relating to Duolun Coal Chemical Company

Duolun Coal Chemical Company, a subsidiary of the Company, was duly incorporated on 19 August 2009 with a paid-in capital of RMB4,050 million. Duolun Coal Chemical Company is principally responsible for the construction and operation of the coal-based olefin project with an annual output of 460,000 tonnes. The equity structure of Duolun Coal Chemical Company is as follows: Energy and Chemical Company, a wholly-owned subsidiary of the Company, holds 60% equity interests, and CDC holds 40% equity interests.

3. Information relating to Datang Finance Company

Datang Finance Company is a non-banking financial institution duly incorporated in the PRC on 10 May 2005. Its registered capital is RMB3 billion. Its principal business includes, among others, the provision of deposit services, loan services, entrusted loan services and entrusted investment services.

4. Information relating to CDC

CDC was established on 9 March 2003 with 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; manufacturing, 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.

5. Information relating to Energy and Chemical Company

Energy and Chemical Company is principally engaged in the production and sales businesses for the products including coal-alkene, coal-natural gas and extraction of alumina from pulverized fuel ash.

LISTING RULES IMPLICATIONS

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As at the date of this announcement, CDC together with its subsidiaries holds approximately 34.71% of the issued share capital of the Company. Duolun Coal Chemical Company is owned as to 60% and 40% by Energy and Chemical Company, a wholly-owned subsidiary of the Company, and CDC, respectively. Datang Finance Company is a subsidiary of CDC which is a controlling Shareholder. Both Duolun Coal Chemical Company and Datang Finance Company are therefore connected persons of the Company and the transaction under the Entrusted Loan Framework Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the principal amount of the Entrusted Loan under the Entrusted Loan Framework Agreement is more than 5%, the Entrusted Loan Framework Agreement and the Entrusted Loan Arrangement are subject to the requirements of reporting, announcement and approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

The Company will disclose the relevant details in the next annual report and accounts of the Company in accordance with the relevant requirements as set out in Chapter 14A of the Listing Rules. A circular containing details of the Entrusted Loan Arrangement and the Entrusted Loan Framework Agreement, a letter from the independent board committee of the Company and a letter from the independent financial advisor, both advising the Entrusted Loan Arrangement and the terms of the Entrusted Loan Framework Agreement is expected to be despatched to the Shareholders on or before 18 September 2014.

Any Shareholder and its associates with a material interest in the transaction will abstain from voting at the extraordinary general meeting to be held by the Company to (including but not limited to) consider and approve the Entrusted Loan Framework Agreement. Therefore, CDC and its associates shall abstain from voting at the extraordinary general meeting to approve the Entrusted Loan Framework Agreement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

An independent board committee comprising the independent non-executive Directors will be formed to advise the independent Shareholders on the terms of the Entrusted Loan Framework Agreement. None of the Directors has any material interest in the Entrusted Loan Framework Agreement.

The Company will appoint an independent financial advisor to advise the independent board committee of the Company and the independent Shareholders on the terms of the Entrusted Loan Framework Agreement.

DEFINITIONS

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

“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each and are listed on the Shanghai Stock Exchange
“Board”	the board of Directors of the Company
“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is the controlling Shareholder of the Company pursuant to the Listing Rules which, together with its subsidiaries, own approximately 34.71% 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, whose H Shares are listed on the Hong Kong 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”	has the meaning ascribed to it under the Listing Rules
“Datang Finance Company”	Datang Corporation Finance Limited Company, a controlling subsidiary of CDC
“Directors”	the director(s) of the Company
“Duolun Coal Chemical Company”	Datang Inner Mongolia Duolun Coal Chemical Company Limited, a subsidiary of the Company, the details of which are set out in the section headed “Information Relating to the Parties of the Agreement”
“Energy and Chemical Company”	Datang Energy and Chemical Company Limited, a wholly-owned subsidiary of the Company
“Entrusted Loan”	the ordinary entrusted loan of a total principal amount of not more than RMB4 billion

“Entrusted Loan Arrangement”	the arrangement where Datang Finance Company is entrusted by the Company to act as a lending agent to release the Entrusted Loan to Duolun Coal Chemical Company pursuant to the Entrusted Loan Framework Agreement
“Entrusted Loan Framework Agreement”	the entrusted loan framework agreement dated 27 August 2014 entered into between the Company, Energy and Chemical Company, Datang Finance Company and Duolun Coal Chemical Company in respect of the Entrusted Loan Arrangement
“Entrusted Loan Contract”	the entrusted loan contract entered into on 27 August 2014 between the Company, Datang Finance Company and Duolun Coal Chemical Company
“Financial Services Agreement”	the financial services agreement entered into between the Company and Datang Finance Company on 15 October 2013, particulars of which please refer to the Company’s circular dated 5 November 2013
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and the London Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Shares”	the ordinary shares of the Company with a nominal value of RMB1.00 each, comprising domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

percent

By Order of the Board

Zhou Gang

Secretary to the Board

Beijing, the PRC, 27 August 2014

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

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

** Independent non-executive directors*