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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 TRANSACTION**

Reference is made to the circular of the Company dated 27 March 2006 relating to the Investment Agreement entered into between the Company and Guangdong Nuclear Power Investment Company on 25 January 2006, for the purposes of constructing and operating two 1,000MW level nuclear power generating units of the Ningde Nuclear Power Project.

The Board announces that on 11 November 2008, the Company agreed to increase its capital contribution to Ningde Nuclear Power Company for the purposes of constructing and operating the Ningde Nuclear Power Project.

#### **DISCLOSEABLE TRANSACTION**

Since the consideration ratio (as defined in Rule 14.07 of the Listing Rules) is more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules which is subject to the notification, announcement and despatch of circular requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

A circular containing details of the Investment will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

## **BACKGROUND**

Reference is made to the circular of the Company dated 27 March 2006 relating to the Investment Agreement entered into between the Company and Guangdong Nuclear Power Investment Company on 25 January 2006 for the purposes of constructing and operating two 1,000MW level nuclear power generating units of the Ningde Nuclear Power Project.

Pursuant to the Investment Agreement, the Company and Guangdong Nuclear Power Investment Company agreed to contribute by way of cash to the registered capital of Ningde Nuclear Power Company in the proportion of 49% and 51%, respectively, for the purposes of constructing and operating two 1,000MW level nuclear power generating units of the Ningde Nuclear Power Project. Under the Investment Agreement, the total investment amount of the project is approximately RMB23,442,000,000 (equivalent to approximately HK\$26,575,218,229), which is subject to the approval by the relevant government authorities in the PRC. The registered capital of Ningde Nuclear Power Company accounts for 20% of the total investment amount, i.e. approximately RMB4,688,000,000, equivalent to approximately HK\$5,314,590,183. The Company is required to contribute approximately RMB2,297,000,000 (equivalent to approximately HK\$2,604,013,150) to the registered capital of Ningde Nuclear Power Company while Guangdong Nuclear Power Investment Company is required to contribute approximately RMB2,390,880,000 (equivalent to approximately HK\$2,710,440,993) to the registered capital of Ningde Nuclear Power Company. Such capital contribution by the Company was approved by the Shareholders pursuant to the requirement of Rule 14.44 of the Listing Rules.

Ningde Nuclear Power Company was incorporated in March 2006 and it is currently a jointly controlled entity of the Company. As at the date of this announcement, the Company has contributed approximately RMB313,600,000 (equivalent to approximately HK\$355,515,248) to the registered capital of Ningde Nuclear Power Company.

In accordance with the resolutions of the general meeting of Ningde Nuclear Power Company dated 3 February 2008, Ningde Nuclear Power Company implemented a shareholding structure adjustment plan, pursuant to which the capital contribution proportion of the Company in Ningde Nuclear Power Company decreased from 49% to 44% while the capital contribution proportion of Guangdong Nuclear Power Investment Company in Ningde Nuclear Power Company decreased from 51% to 46%. Fujian Coal Group became a shareholder of Ningde Nuclear Power Company and the capital contribution proportion of Fujian Coal Group was 10%.

Ningde Nuclear Power Company is established for the purposes of constructing and operating the Ningde Nuclear Power Project. The original construction scale of the Ningde Nuclear Power Project involves the construction of two 1,000MW level nuclear power generating units.

Pursuant to the “Notice on the adjustment to the construction scale of the Fujian Ningde Nuclear Power Project (Fa gai ban neng yuan (2008) No.73)” (《關於調整福建寧德核電項目建設規模的通知》發改辦能源【2008】73號)) issued by the NDRC, the construction scale of the Ningde Nuclear Power Project was revised to involve the construction of four 1,000MW level nuclear power generating units. In view of the aforesaid, the total investment amount of the Ningde Nuclear Power Project is to be increased from approximately RMB23,442,000,000 (equivalent to approximately HK\$26,575,218,229) to approximately RMB49,342,000,000 (equivalent to approximately HK\$55,936,968,598). Accordingly, the Company, Guangdong Nuclear Power Investment Company and Fujian Coal Group are required to make further contribution to the registered capital of Ningde Nuclear Power Company.

## **INVESTMENT DETAILS**

After the aforementioned increase in investment in the Ningde Nuclear Power Project, the total investment of the Ningde Nuclear Power Project will be approximately RMB49,342,000,000 (equivalent to approximately HK\$55,936,968,598). The registered capital of Ningde Nuclear Power Company accounts for approximately 20% of the total investment amount of the project, i.e. approximately RMB9,870,000,000 (equivalent to approximately HK\$11,189,207,573). The Company’s total capital commitment in Ningde Nuclear Power Project will be in the sum of approximately RMB4,343,000,000 (equivalent to approximately HK\$4,923,478,064) and therefore the Company is required to increase its capital contribution by approximately RMB2,046,000,000 (equivalent to approximately HK\$2,319,464,913) by way of cash to Ningde Nuclear Power Company. Guangdong Nuclear Power Investment Company is required to increase its capital contribution by approximately RMB2,149,320,000 (equivalent to approximately HK\$2,436,594,490) by way of cash to Ningde Nuclear Power Company; and Fujian Coal Group is required to contribute approximately RMB987,000,000 (equivalent to approximately HK\$1,118,920,757) to Ningde Nuclear Power Company. The Company’s increase in contribution to the registered capital of Ningde Nuclear Power Company will be funded by the internal resources of the Company.

The Investment was approved by the Board on 11 November 2008. Other than the Investment Agreement, no further agreement has been or will be entered into by the parties relating to the increase in the registered capital by the Company.

All funds required for the Ningde Nuclear Power Project will be financed by Ningde Nuclear Power Company’s registered capital and commercial loans (RMB and foreign currencies denominated) to be provided by financial institutions in the PRC to Ningde Nuclear Power Company. The Company is not required to provide any guarantees for the loans to be made by Ningde Nuclear Power 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 being in the PRC.

## **INFORMATION RELATING TO GUANGDONG NUCLEAR POWER INVESTMENT COMPANY**

Guangdong Nuclear Power Investment Company is principally engaged in the investment in nuclear power project, and import and export of goods and technical services relating to nuclear power generation, with its current main operations in Guangdong Province, the PRC.

## **INFORMATION RELATING TO FUJIAN COAL GROUP**

Fujian Coal Group's businesses principally involve coal and power. As a conglomerate, its operations also cover heat supply, port, energy trading, explosion equipment, construction works, tours and hotels, pharmaceutical industry and scientific research, survey and design industry, with its current main business operations in Fujian Province, the PRC.

## **INFORMATION RELATING TO NINGDE NUCLEAR POWER COMPANY**

Ningde Nuclear Power Company is established for the purposes of constructing and operating the Ningde Nuclear Power Project. The Ningde Nuclear Power Project is located in Qinyu Town, Fuding County, Ningde City, Fujian Province, the PRC and involves the construction project of nuclear power generating units. Pursuant to the Notice on the adjustment to the construction scale of the Fujian Ningde Nuclear Power Project (Fa gai ban neng yuan (2008) No.73) (《關於調整福建寧德核電項目建設規模的通知》(發改辦能源【2008】73號)) issued by the NDRC, the current construction scale of the Ningde Nuclear Power Project covers four 1,000MW level nuclear power generating units. In February 2008, the Ningde Nuclear Power Project was approved by the NDRC. Successive construction mode is adopted at the Ningde Nuclear Power Project. The construction of the first generating unit commenced in February 2008, with a construction period of 58 months and is scheduled to commence operation by 2012. Each of the remaining three generating units involves a construction period of 56 months. The commencement of operation for each generating unit at the Ningde Nuclear Power Project is subject to the approval of the relevant environment protection authorities in the PRC.

## **REASONS FOR AND BENEFITS OF INCREASE IN CAPITAL CONTRIBUTION IN THE NINGDE NUCLEAR POWER COMPANY**

As a result of continuing growth in demand for electricity and the limited and inadequate coal resources in Fujian Province, the mismatch of power demand and supply in Fujian Province has emerged. The investment and development of nuclear power station in the area is in line with the State's power policies of "diligently furthering the development of nuclear power" and "diversifying the means of power generation". The investment in the Ningde Nuclear Power Project represents an important move of the Company to implement the strategy of diversification of the mix of power generation which will in turn alleviate the pressure in respect of fuel supply in the power generation industry while complying with the relevant environmental protection requirements in the PRC at the same time. Further, approval has been obtained from the NDRC for the construction scale of the Ningde Nuclear Power Project. The Board believes that the operation of the Ningde Nuclear Power Project can take advantage of the growing demand for electricity in Fujian Province, which in turn will enhance the operating profits of the Company as a whole.

The Directors consider the Investment to be made by the Company is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **DISCLOSEABLE TRANSACTION**

Since the consideration ratio (as defined in Rule 14.07 of the Listing Rules) is more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules which is subject to the notification, announcement and despatch of circular requirements as set out in Rules 14.34 to 14.39 of the Listing Rules.

## **DESPATCH OF CIRCULAR**

A circular containing details of the Investment will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

## **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
“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 of Hong Kong Limited and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange
“Directors”	the directors of the Company
“Domestic Shares”	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Fujian Coal Group” (福煤集團)	Fujian Coal Industry Group Co., Ltd. (福建省煤炭工業(集團)有限責任公司), a wholly state-owned limited liability company incorporated in the PRC, whose principal businesses involve coal and power, with its current main business operations in Fujian Province, the PRC
“Guangdong Nuclear Power Investment Company” (廣東核電公司)	Guangdong Nuclear Power Investment Company Limited (廣東核電投資有限公司), a limited liability company incorporated in the PRC, whose principal business includes the investment on nuclear power project, and import and export of goods and technical services relating to nuclear power generation, with its current main operations in Guangdong Province, the PRC
“HK\$”	Hong Kong dollar(s) and cent(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and are listed on The Stock Exchange of Hong Kong Limited and the London Stock Exchange

“Investment”	the increase in contribution to the registered capital of Ningde Nuclear Power Company by the Company in the approximate sum of RMB2,046,000,000 for the purposes of constructing and operating the Ningde Nuclear Power Project
“Investment Agreement”	The “Agreement on Joint Investment in Establishing Ningde Nuclear Power Company”(《共同投資設立寧德核電有限公司協議》) entered into between the Company and Guangdong Nuclear Power Investment Company on 25 January 2006 in accordance with the resolution of the eleventh meeting of the fifth session of the Board. The Company and Guangdong Nuclear Power Investment Company agreed to contribute to Ningde Nuclear Power Company in the proportion of 49% and 51%, respectively, for the purposes of constructing and operating the two 1,000MW level nuclear power generating units of the Ningde Nuclear Power Project
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“London Stock Exchange”	The London Stock Exchange Limited
“MW”	megawatts
“NDRC”	the National Development and Reform Commission of the PRC
“Ningde Nuclear Power Company”	Fujian Ningde Nuclear Power Company Limited, which is jointly established by the Company and Guangdong Nuclear Power Investment Company pursuant to the Investment Agreement. As at the date of this announcement, the Company holds 44% interest in Fujian Ningde Nuclear Power Company Limited
“Ningde Nuclear Power Project”	A project in which Ningde Nuclear Power Company constructs and operates four 1000MW level nuclear power generating units
“PRC”	the People’s Republic of China
“RMB”	the lawful currency of the PRC

“Shares”	the ordinary share(s) of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of the Share(s)
“%”	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= RMB0.8821 in this announcement.*

By Order of the Board

**Zhou Gang**

*Secretary to the Board*

Beijing, the PRC, 11 November 2008

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

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

\* *Independent non-executive Directors*