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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

CONNECTED TRANSACTION

CONTRACTING AGREEMENT

The Board announced that on 14 August 2009, Zhuozi Windpower Company, a wholly-owned subsidiary of the Company, entered into the Contracting Agreement with Datang Technologies and Engineering Company. Pursuant to the Contracting Agreement, Datang Technologies and Engineering Company agrees to provide general contracting services for the project construction of Phase 4 of the Zhuozi Wind Power Project with a generating capacity of 48.75MW under Zhuozi Windpower Company.

CONNECTED TRANSACTION

As at the date of the announcement, CDC, holding approximately 35.60% of the issued share capital of the Company, is the substantial shareholder of the Company. Meanwhile, Datang Technologies and Engineering Company is a subsidiary of CDC and is therefore a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction under the Contracting Agreement constitutes a connected transaction of the Company under the Listing Rules.

As each of the applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) for the transaction amount paid under the Contracting Agreement is more than 0.1% but less than 2.5%, the Contracting Agreement is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and does not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

CONTRACTING AGREEMENT

Date

14 August 2009

Parties to the Contracting Agreement

1. Zhuozi Windpower Company; and
2. Datang Technologies and Engineering Company.

MAJOR TERMS OF THE CONTRACTING AGREEMENT

Pursuant to the Contracting Agreement, Datang Technologies and Engineering Company agrees to provide general contracting services to Zhuozi Windpower Company for the project construction of Phase 4 of the Zhuozi Wind Power Project with a generating capacity of 48.75MW. The general contracting services to be provided by Datang Technologies and Engineering Company include construction plan design, equipment and civil construction, equipment installation, testing and technical service, etc.

The consideration payable by Zhuozi Windpower Company for the services under the Contracting Agreement is principally determined with reference to the market price conditions for equipment, materials and project construction and installation. Through tendering by invitation (with several candidates) as a required procedure, the total contracting amount under the Contracting Agreement was determined to be approximately RMB382,100,000 (equivalent to approximately HK\$433,219,955). Taking into account the tender price and previous experience of the candidates, Datang Technologies and Engineering Company is considered by the tender selection committee (which comprises industry experts who do not have any material interest in the transaction under the Contracting Agreement) to be suitable for undertaking the transaction under the Contracting Agreement.

The consideration is payable by way of cash in accordance with the following manner:

1. Zhuozi Windpower Company shall pay a prepayment, which is equivalent to 10% of the total consideration (excluding technical service fees) under the Contracting Agreement, to Datang Technologies and Engineering Company within 30 days from the date of the Contracting Agreement and upon receiving, verifying and confirming the relevant invoice to be provided by the general contractor.
2. Contracted equipment fees
 - (1) Contracted equipment fees of wind turbines and turbine towers comprise equipment ordering fee (equivalent to 20% of the total contracted equipment costs of wind turbines and turbine towers), dispatch fee (equivalent to 30% of the costs of the relevant batch of equipment), upon-delivery fee (equivalent to 30% of the costs of the relevant batch of equipment) and pre-inspection acceptance fee (equivalent to 5% of the costs of the relevant batch of equipment). The payments of the contracted equipment fees shall be made in the required proportions of the contracted equipment costs upon approval by the Zhuozi Windpower Company at various stages. 5% of the equipment costs will be set aside as quality guarantee fee and it shall be paid after the 1-year warranty period of contracted equipment has expired without any quality or quantity problem being found as well as no mistakes being found upon the approval of the relevant documents.
 - (2) Other equipment fees (equivalent to 80% of the total consideration of other equipment) shall be paid within 1 month after such other equipment has been delivered to the contractually designated delivery place and the equipment and the relevant documents have been checked and accepted. 10% of the other equipment fees will be set aside as quality guarantee fee and it shall be paid after the 1-year warranty period of contracted equipment has expired without any quality or quantity problem being found as well as no mistakes being found upon the approval of the relevant documents.

3. Project construction and installation fees

- (1) Prepayment on construction and installation (which is included in the prepayment for the Contracting Agreement as set out in paragraph one of this section): The prepayment on construction and installation will be reimbursed in batches when the project progress payment reaches 30% of the project construction and installation costs, and the prepayment on construction and installation will be fully reimbursed when project progress payment reaches 70%.
- (2) Project construction and installation fees is payable to the general contractor within 28 days after the Zhuozi Windpower Company has confirmed the completed quantity of the relevant works.

The above payment progress is determined after arm's length negotiation between the parties taking into account the industry practice for similar transaction as in the Contracting Agreement. Since the above payment progress is in line with the industry practice, the Company considers that the payment progress is fair and reasonable.

The Contracting Agreement is effective from the date of entering into the Contracting Agreement to the date of completion of paying the project settlement fee.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACTING AGREEMENT

The entering into the Contracting Agreement between Zhuozi Windpower Company and Datang Technologies and Engineering Company can put the overall advantages of Datang Technologies and Engineering Company into full play while carrying out professional construction and management on the wind power projects, thereby strongly assuring the sustained benign development of the Company. The Directors are of the view that entering into the Contracting Agreement helps to assure the quality and progress of the Zhuozi Wind Power Project.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Contracting Agreement were made after arm's length negotiation between the parties entering into the Contracting Agreement and were on normal commercial terms. The Directors believe that the terms of the Contracting Agreement are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

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 and power-related technical services, with its main service areas being in the PRC.

INFORMATION RELATING TO ZHUOZI WINDPOWER COMPANY

Zhuozi Windpower Company is a wholly-owned subsidiary of the Company and is principally engaged in wind power generation business. Currently, the wind power generating units in the phase 1 project (32×1,250kW) and the phase 2 project (24×2,000kW) have commenced operation, while the wind power generating units with a total capacity of approximately 96MW in the phase 3 and phase 4 projects are under construction.

INFORMATION RELATING TO CDC

CDC is a state-owned enterprise; 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, and so forth.

INFORMATION RELATING TO DATANG TECHNOLOGIES AND ENGINEERING COMPANY

Datang Technologies and Engineering Company is a subsidiary of CDC with a registered capital of approximately RMB137 million. Its scope of operation includes design of power station system for coal-fired power generation, wind power generation and biomass energy power generation with a single-unit capacity of 300MW or below, as well as general project contracting, and so forth.

CONNECTED TRANSACTION

As at the date of the announcement, CDC, holding approximately 35.60% of the issued share capital of the Company, is the substantial shareholder of the Company. Meanwhile, Datang Technologies and Engineering Company is a subsidiary of CDC and is therefore a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction under the Contracting Agreement constitutes a connected transaction of the Company under the Listing Rules.

As each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the total transaction amount paid under the Contracting Agreement is more than 0.1% but less than 2.5%, the Contracting Agreement is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and does not require the approval by the independent shareholders of the Company under Chapter 14A of the Listing Rules.

Those Directors who have a material interest in the transaction (by virtue of being the principal management staff of CDC) under the Contracting Agreement have abstained from voting at the Board meeting for approval of the transaction under the Contracting 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
“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is a substantial shareholder of the Company pursuant to the Listing Rules which owns approximately 35.60% 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 Stock Exchange and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange
“Contracting Agreement”	General Contracting Agreement dated 14 August 2009 entered into between Zhuozi Windpower Company and Datang Technologies and Engineering Company relating to the provision of general contracting services for phase 4 of the Zhuozi Wind Power Project with a generating capacity of 48.75MW
“Datang Technologies and Engineering Company”	China Datang Technologies and Engineering Co., Ltd.
“Directors”	the directors of the Company
“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 and the London Stock Exchange
“Listing Rules”	Rules Governing The Listing of Securities on the Stock Exchange
“London Stock Exchange”	The London Stock Exchange Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhuozi Windpower Company”	Inner Mongolia Datang International Zhuozi Wind Power Company Limited

“Phase 4 of the Zhuozi Wind Power Project” the Phase 4 project which is constructed by Zhuozi Windpower Company with a construction scale of 39x1.25MW wind power generating units and a total generating capacity of 48.75MW

“%” 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 = RMB0.882 in this announcement.

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 17 August 2009

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*