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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

The Board announced that on 14 August 2009, the Board agreed that the Company and other shareholders (including CDC and Other Existing Shareholders) of Datang Finance Company shall increase their respective capital contributions in a total amount of RMB500 million to Datang Finance Company by way of cash in proportion to their existing shareholdings in Datang Finance Company. The capital contributions will be made by way of cash on a lump-sum basis. According to the Company's shareholding in Datang Finance Company, the Company agreed to make a further capital contribution of RMB100 million to Datang Finance Company from its internal resources. Upon the completion of the increase in capital contributions, the registered capital of Datang Finance Company will increase from RMB500 million to RMB1,000 million, while the Company's shareholding in Datang Finance Company will remain as 20%.

#### CONNECTED TRANSACTION

As at the date of this announcement, CDC and its subsidiaries hold a total of approximately 35.60% of the issued share capital of the Company and CDC is a connected person of the Company under Chapter 14A of the Listing Rules. Meanwhile, CDC holds 52.5% of the shares of Datang Finance Company, and Other Existing Shareholders are subsidiaries of CDC and are therefore connected persons of the Company. The increase in capital contribution in Datang Finance Company constitutes a connected transaction of the Company under the Listing Rules.

As the consideration ratio (as defined in Rule 14.07 of the Listing Rules) is more than 0.1% but less than 2.5% and other applicable percentage ratios are less than 2.5%, the increase in capital contribution in Datang Finance Company 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.

## DETAILS OF THE INCREASE IN CAPITAL CONTRIBUTIONS

The Board considered and agreed on 14 August 2009 that the Company and other shareholders (including CDC and Other Existing Shareholders) of Datang Finance Company shall increase their respective capital contributions in a total amount of RMB500 million to Datang Finance Company by way of cash in proportion to their existing shareholdings in Datang Finance Company. The capital contributions will be made by way of cash on a lump-sum basis. According to the Company's shareholding in Datang Finance Company, the Company agreed to make a further capital contribution of RMB100 million to Datang Finance Company from its internal resources. Upon the completion of the increase in capital contributions, the registered capital of Datang Finance Company will increase from RMB500 million to RMB1,000 million, while the Company's shareholding in Datang Finance Company will remain as 20%.

The shareholding structure of Datang Finance Company, the amounts of increase in capital contributions made by each of the shareholders to Datang Finance Company and the percentage ratios prior to and after the completion of increase in capital contributions are set out as follows:

Name of shareholder of Datang Finance Company	Capital contribution prior to the completion of the increase in capital contribution (RMB' million)	Shareholding prior to the completion of the increase in capital contribution	Amount of the current increase in capital contribution (RMB' million)	Capital contribution after the completion of the increase in capital contribution (RMB' million)	Shareholding after the completion of increase in the capital contribution
CDC	262.5	52.5%	262.5	525	52.5%
The Company	100.0	20.0%	100.0	200	20.0%
Other Existing Shareholders	137.5	27.5%	137.5	275	27.5%
<b>Total</b>	<b>500.0</b>	<b>100.0%</b>	<b>500.0</b>	<b>1,000</b>	<b>100.0%</b>

Each of the shareholders of Datang Finance Company agreed to make the increase in capital contributions to Datang Finance Company on or before 31 August 2009 by way of cash.

## INFORMATION RELATING TO DATANG FINANCE COMPANY

Datang Finance Company is duly established in the PRC as a non-banking financial institution. The registered capital of Datang Finance Company is RMB500 million. The principal business of Datang Finance Company includes the provision of, among others, deposit services, loan services, entrusted loan services and entrusted investment services.

The net profits before and after taxation and extraordinary items for the year ended 31 December 2007 are RMB140,636,966.41 and RMB96,025,937.55, respectively. The net profits before and after taxation and extraordinary items for the year ended 31 December 2008 are RMB140,566,907.41 and RMB100,958,372.18, respectively.

## **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 CDC**

CDC is a state-owned enterprise. Its scope of operations mainly includes the development, investment, construction, operation and management of power energy; organisation of power (thermal) production and sales; as well as power technology development and consultation.

## **INFORMATION RELATING TO OTHER EXISTING SHAREHOLDERS**

The Other Existing Shareholders are the other 11 existing shareholders of Datang Finance Company (apart from the Company and CDC) and all of them are subsidiaries of CDC. The principal businesses of the Other Existing Shareholders include electricity business, provision of logistics services and sales of coal.

## **REASONS FOR AND BENEFITS OF THE INCREASE IN CAPITAL CONTRIBUTIONS IN DATANG FINANCE COMPANY**

Datang Finance Company is principally engaged in the provision of professional financial services including centralised management of funds, settlement, guarantee and entrusted deposit and loan within the system of CDC. A low capital amount will limit the development of Datang Finance Company and its external financing ability, as well as affecting its funds utilisation efficiency and shareholders' returns. The increase in capital contributions in Datang Finance Company and raising its capital amount will enhance its external financing ability, advance its business expansion and increase its overall profitability, thereby benefiting the shareholders of the Company.

In view of the above reasons and since Datang Finance Company is currently regarded as an associated company in the accounts of the Company, the Directors (including the independent non-executive Directors) are of the view that the above-mentioned transaction is conducted in the ordinary and usual course of business of the Company. The current transaction is fair and reasonable and is in the interests of the Company and the shareholders as a whole.

## **CONNECTED TRANSACTION**

As at the date of this announcement, CDC and its subsidiaries hold a total of approximately 35.60% of the issued share capital of the Company and CDC is a connected person of the Company under Chapter 14A of the Listing Rules. Meanwhile, CDC holds 52.5% of the shares of Datang Finance Company, and Other Existing Shareholders are subsidiaries of CDC and are therefore connected persons of the Company. The increase in capital contribution in Datang Finance Company constitutes a connected transaction of the Company under the Listing Rules.

As the consideration ratio (as defined in Rule 14.07 of the Listing Rules) is more than 0.1% but less than 2.5% and other applicable percentage ratios are less than 2.5%, the increase in capital contribution in Datang Finance Company 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) have abstained from voting at the Board meeting for approval of the relevant transaction.

## **DEFINITIONS**

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

“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
“Connected Person”	has the meaning ascribed to it under the Listing Rules

“Datang Finance Company”	China Datang Finance Co., Ltd.
“Director(s) ”	the director(s) of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“London Stock Exchange”	The London Stock Exchange Limited
“Other Existing Shareholders”	The 11 existing shareholders of Datang Finance Company (apart from the Company and CDC) prior to and after the completion of the increase in capital contributions in Datang Finance Company, all being subsidiaries of CDC
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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*