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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

CONTINUING CONNECTED TRANSACTIONS

The Board announced that on 1 September 2009, the Company entered into the Framework Agreement with China Water Resources and Power in connection with the centralised purchase of production materials, including equipment, production spare parts and large consumable materials required for technological renovation projects.

CONTINUING CONNECTED TRANSACTIONS

As at the date of the announcement, CDC and its subsidiaries hold a total of approximately 35.60% of the issued share capital of the Company and CDC is a substantial shareholder of the Company. CDC holds approximately 70.72% interest in the issued share capital of China Water Resources and Power and accordingly China Water Resources and Power is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) is more than 0.1% but less than 2.5%, such continuing connected transactions are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and do not require the approval by the independent shareholders of the Company under the Listing Rules.

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FRAMEWORK AGREEMENT

Date

1 September 2009

Parties

- (i) The Company; and
- (ii) China Water Resources and Power.

Term

The Framework Agreement is for a term of one year ending on 31 December 2009.

Purchase of Production Materials

Pursuant to the Framework Agreement, the Company agreed that it and/or its subsidiaries shall make centralised purchase of production materials required for technological renovation projects, including equipment, production spare parts and large consumable materials, through China Water Resources and Power from other third parties suppliers. Pursuant to the agreement under the Framework Agreement, the Company expects that the price of such production materials to be purchased through China Water Resources and Power shall not be higher than the average market price of such production materials.

The Company, its subsidiaries and China Water Resources and Power will enter into individual purchase orders setting out specific terms including the details of the production materials to be ordered, the price, the payment terms and schedules, but such terms shall be consistent with the principles and the terms of the Framework Agreement.

China Water Resources and Power shall collect a management service fee, which amount is equivalent to 1% of the purchase amount under the purchase orders, from the Company and its subsidiaries. Such management service fee is determined after arm's length negotiation between the parties taking into account the management service fee to be charged for the provision of similar services by other third parties.

The Company and its subsidiaries will pay the purchase costs of the production materials together with the management service fee to China Water Resources and Power directly by way of cash.

Annual Cap

The continuing connected transactions contemplated under the Framework Agreement are subject to the annual cap of RMB 248.46 million (including the purchase costs for the production materials and the management service fees payable to China Water Resources and Power) for the year ending 31 December 2009.

The above annual cap was determined with reference to or taking into account of: (i) the anticipated demand of the production materials required for the equipment technological renovation plan of the Company and its subsidiaries in accordance with the energy saving and environmental protection requirements in the PRC; (ii) the usual maintenance program of the current production equipment of the Company and its subsidiaries; and (iii) the production materials required to be consumed by the Company and its subsidiaries for the normal operation of equipment for the year ending 2009.

Historical Figures

The Company carried out similar transactions with China Water Resources and Power in the past and the Company confirms that such transactions amount for the year ended 31 December 2008 did not reach the de minimis threshold under Chapter 14A of the Listing Rules.

The Company confirms that the transactions amount under the Framework Agreement for the period from 1 January 2009 to the date of the announcement did not reach the de minimis threshold under Chapter 14A of the Listing Rules.

INFORMATION RELATING TO CHINA WATER RESOURCES AND POWER

China Water Resources and Power is a subsidiary of CDC which holds approximately 70.72% of the issued share capital of China Water Resources and Power. Its scope of operations mainly includes:

1. Investing in water resources, electric power and other enterprises;
2. Operating materials resources required for the production and development of water resources and electric power;
3. Undertaking import and export of goods; acting as agent for import and export; carrying out import and export of technology, sino-foreign equity joint ventures, cooperative production, three-processes compensation trade, barter trade and re-export;
4. Undertaking tendering business on project equipment and major materials for the State's key development projects; and
5. Undertaking technical consultancy, technical service, information service and project supervision, and among others, relevant to the company's principal business.

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 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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

Since China Water Resources and Power is principally engaged in investing in water resources and electric power and operating materials resources required for the production and development of water resources and electric power, it possesses competitive edge and good bargaining power in purchasing production materials from suppliers. In this regard, the purchase cost and management service fee payable by the Company under the Framework Agreement will be lower than the purchase cost payable by the Company if such purchase is to be made directly by the Company from other third parties.

The entering into the Framework Agreement will enable the Company to leverage on the role of China Water Resources and Power as a professional institution in sourcing production materials and will reduce purchase costs, and is conducive to lowering the overall operating costs of the Company, thereby enhancing the economic efficiency of the Company.

The Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions under the Framework Agreement are conducted in the ordinary and usual course of business of the Company, and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

As at the date of the announcement, CDC and its subsidiaries hold a total of approximately 35.60% of the issued share capital of the Company and CDC is a substantial shareholder of the Company. CDC holds approximately 70.72% interest in the issued share capital of China Water Resources and Power and accordingly China Water Resources and Power is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) is more than 0.1% but less than 2.5%, such continuing connected transactions are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and do not require the approval by the independent shareholders of the Company under the Listing Rules.

Those Directors who have a material interest in the continuing connected transactions (by virtue of being the principal management staff of CDC) under the Framework Agreement have abstained from voting at the Board meeting for the approval of the Framework Agreement.

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 the announcement
“China Water Resources and Power”	China National Water Resources & Electric Power Materials & Equipment Corporation
“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
“Framework Agreement”	the framework agreement dated 1 September 2009 entered into between the Company and China Water Resources and Power in connection with the centralised purchase of production materials, including equipment, production spare parts and large consumable materials required for technological renovation projects

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The 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
“%”	per cent

By Order of the Board
Zhou Gang
Secretary to the Board

Beijing, the PRC, 2 September 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*