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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)

PROVISIONS FOR ASSET IMPAIRMENT

This announcement is made by Datang International Power Generation Co., Ltd. (the “Company”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The following announcement is made by the board of directors (the “Board”) of the Company in respect of provisions for impairment.

I. PROVISIONS FOR ASSET IMPAIRMENT

- (1) Provision for impairment in relation to construction in progress of Fuxin Coal-to-gas Company

In 2015, due to the extension of project construction period of Liaoning Datang International Fuxin Coal-to-gas Company Ltd. (“Fuxin Coal-to-gas Company”), a controlling subsidiary of the Company, the total investment on the project construction increased and the future selling price of natural gas was lower than expected, therefore resulting in an indication of impairment in relation to its long-term assets. Pursuant to the Accounting Standards for Business Enterprises, impairment assessments were made to Fuxin Coal-to-gas Company on 31 December 2015. Upon calculation, a provision for impairment on construction in progress of Fuxin Coal-to-gas Company amounted to RMB1,300.3804 million has to be made.

- (2) Provision for impairment in relation to available-for-sale financial assets of H shares of Yitai as held by Hong Kong Company

Datang International (Hong Kong) Limited (“Hong Kong Company”) acquired 18,031,100 H shares of Inner Mongolia Yitai Coal Co., Ltd. (“Yitai”) in July 2012 for an amount of RMB635.02 million, which is accounted as available-for-sale financial assets. In 2013, Yitai implemented a plan for all shareholders by issuing 10 stock dividends for every 10 shares. Hence, the number of H shares of Yitai held by Hong Kong Company changed to 36,062,200 shares.

Since the price of H shares of Yitai continuously decreased in 2015 and there was a continuous decrease in international and domestic coal prices in recent years, as well as a decrease in the profits and operating income of Yitai as affected by the coal market, by considering the abovementioned relevant factors, the Company made an impairment provision for Yitai H share investment held by Hong Kong Company. Upon calculation, a provision for impairment of RMB38.6716 million is intended to be made for 2015.

- (3) Provision for impairment in relation to fixed assets of Liancheng Power Company

Gansu Datang International Liancheng Power Generation Company Limited (“Liancheng Power Company”) made a provision for fixed asset impairment on dismantled equipment under the transformation environmental protection. Upon calculation, a provision for impairment of RMB31.7517 million is intended to be made for 2015.

Based on the foregoing, a provision for impairment for assets of RMB1,370.8037 million in total is intended to be made for 2015.

II. PROVISION FOR BAD DEBTS

Pursuant to the Accounting Standards for Business Enterprises and accounting policies for the Company, the Company wrote off and reconciled the account receivables of certain subsidiaries. Given the relevant debtors’ poor financial status and serious insufficiency of repayment capability, the account receivables are under the risks of losses. In consideration of the operation status of the debtors and the possibility of realising the receivables, the Company intends to, based on the principle of prudence, make provision for bad debts of an aggregate of RMB1,249.1968 million for receivables with recovery risk from four subsidiaries, namely Beijing Datang Fuel Co., Ltd., Hong Kong Company, Shenzhen Datang Baochang Gas Power Generation Company Limited and Guangdong Datang International Chaozhou Power Generation Company Limited.

III. PROVISIONS FOR INVENTORY IMPAIRMENT

- (1) Provision for inventory impairment of Renewable Energy Resource Company

According to current aluminum market conditions and the actual inventory cost of Inner Mongolia Datang International Renewable Energy Resource Development Company Limited (“Renewable Energy Resource Company”), the book balance of inventory of Renewable Energy Resource Company as at 31 December 2015 amounted to RMB602.3176 million. Upon calculation, a provision for inventory of RMB189.2348 million is intended to be made for 2015.

- (2) Provision for inventory impairment of Xilinhaote Mining Company

According to the actual cost of coal inventory of Inner Mongolia Datang International Xilinhaote Mining Company Ltd. (“Xilinhaote Mining Company”) and current coal market prices, the book balance of inventory of Xilinhaote Mining Company as at 31 December 2015 amounted to RMB1,186.2981 million. Upon calculation, a provision for inventory impairment of RMB136.2196 million is intended to be made for 2015.

- (3) Provision for obsolete materials inventory impairment of 7 entities including Wangtan Power Generation Company

According to the actual conditions of inventory of the enterprises subordinate to the Company, a provision for inventory impairment of 2,625 idle and scrapped materials in 7 entities including Hebei Datang International Wangtan Power Generation Company Limited (“Wangtan Power Generation Company”) is intended to be made. Upon calculation, a provision for inventory impairment of RMB21.9165 million is intended to be made for 2015.

Based on the foregoing, inventory impairment of RMB347.3709 million in total a provision of is intended to be made for 2015.

IV. PROVISIONS FOR LONG-TERM INVESTMENT IMPAIRMENT

- (1) Provision for long-term investment impairment for Energy and Chemical Company

As at 31 December 2015, an indication of impairment was shown for construction in progress of coal-to-gas projects of Fuxin Coal-to-gas Company. Datang Energy and Chemical Company Limited (“Energy Chemical Company”), a wholly-owned subsidiary of the Company, conducted an impairment assessment on the long-term investment of Fuxin Coal-to-gas Company. The results showed that the book value of long-term equity investment by Fuxin Coal-to-gas Company was less than the portion of the book value of equity interest attributable to the owner of the investee, and the recoverable amount is already lower than the book value of long-term equity investment. Pursuant to the relevant requirements under the accounting standards, provision for long-term investment impairment should be made. Upon calculation, a provision for impairment of RMB1,577.2549 million is intended to be made.

- (2) Provision for long-term investment impairment for the parent company of the Company

The parent company of the Company conducted an impairment assessment on its long-term equity investment in Energy and Chemical Company based on its production and operation situations, and the results showed an indication of impairment. Upon calculation, it was intended to make an impairment provision of RMB1,380.7646 million.

Based on the foregoing, a provision for long-term investment impairment totaling RMB2,958.0195 million is intended to be made.

V. IMPACT OF PROVISIONS FOR IMPAIRMENT ON FINANCIAL POSITION OF THE COMPANY

Based on the foregoing, for 2015, the Company intended to make impairment provisions for assets of RMB1,370.8037 million, bad debts of RMB1,249.1968 million, inventory of RMB347.3709 million and long-term investment of RMB2,958.0195 million, respectively. The foregoing provisions for impairment resulted in a decrease in the Company’s profit for 2015 by RMB2,967.3713 million, a decrease in the Company’s net profit attributable to the parent company in the consolidated financial statements for 2015 by RMB2,062.4630 million and a decrease in the net profit of the parent company by RMB1,380.7646 million.

VI. PROCEDURES FOR CONSIDERATION AND APPROVAL OF PROVISIONS FOR IMPAIRMENT

The Company convened the thirtieth meeting of the eighth session of the Board on 2 February 2016, which considered and approved the “Resolution on Provisions for Impairment”.

The directors (including independent directors) are of the view that the provisions for impairment follow and comply with the Accounting Standards for Business Enterprise and the relevant accounting Policies of the Company, which fairly reflect the asset value of the Company, ensure standardize operation of the Company, and do not prejudice the legitimate interests of shareholders of the Company. The foregoing issues are agreed to be submitted to the general meeting of the Company for consideration and approval according to the relevant rules.

Pursuant to the Listing Rules of the Shanghai Stock Exchange, the provisions for impairment are subject to the consideration and approval by the shareholders at the general meeting of the Company.

VII. REMINDER

The provisions for impairment are unaudited and not yet approved by the accounting firm, the final figures are subject to the audited annual reporting figures provided by the accounting firm.

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 2 February 2016

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

Chen Jinhang, Hu Shengmu, Wu Jing, Liang Yongpan, Ying Xuejun, Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang, Yang Wenchun, Jiang Guohua, Feng Genfu*, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu**

** Independent non-executive directors*