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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)

ANNOUNCEMENT ON CHANGE IN ACCOUNTING ESTIMATES

This announcement is published by Datang International Power Generation Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

IMPORTANT NOTICE:

- The change in accounting estimates adopts prospective application for accounting treatment and no retroactive adjustment is required, which has no impact on the financial position and operating results of the Company in previous years.
- The change in accounting estimates will commence from 1 January 2018.

1. Summary

The Company has convened the twentieth meeting of the ninth session of the board of directors on 21 December 2017, which considered and approved the “Resolution on the Change in Accounting Estimates of Expected Useful Life of Power Generation and Heat Supply Equipment and Assets in Coal-fired Power Plants” unanimously. The change made by the Company to the accounting estimates of the expected useful life and the expected residual rate of power generation and heat supply equipment and assets in coal-fired power plants will come into effect on 1 January 2018.

2. Details and effects on the Company

1. Currently, the power generation enterprises of the Company adopt straight-line method as the depreciation method for fixed assets. The expected useful life and expected residual rate of power generation and heat supply equipment and assets in coal-fired power plants are 15 years and 5%, respectively. In view of the technological advancement of the manufacturing of power generation equipment and the continued introduction of renewal and renovation of enterprises’ fixed assets, together with the comparison analysis of the Company and similar listed companies which are principally engaged in power generation, the expected useful lives of current power generation and heat supply equipment and assets in the coal-fired power plants of the Company are relatively low, while the expected residual rate is relatively high.

According to the relevant requirements of the “Accounting Standards for Business Enterprises No. 4 – Fixed Assets” and the “Accounting Standards for Business Enterprises No. 28 – Accounting Policies, Changes in Accounting Estimates and Correction of Errors”, the Company should review the useful life, expected residual rate and depreciation method of its fixed assets at the end of each accounting year. Where there is any difference between the expected life cycle, residual rate and the original estimated values, adjustments should be made accordingly. Given the above-mentioned reasons, the Company has made changes to the expected useful life and expected residual rate of the power generation and heat supply equipment and assets in its coal-fired power plants, and the expected useful life and the expected residual rate are amended to 17 years and 3%, respectively, with effect from 1 January 2018. The changes to the expected useful life and the expected residual rate of assets are regarded as changes in accounting estimates. According to the requirements of the Accounting Standards for Business Enterprises, the new accounting estimates shall be adopted by way of prospective application and no retroactive adjustment is required, and there will be no impact on the financial position and operating results of the Company in the previous years.

2. As of the date of this announcement, the Company operates 25 coal-fired power generation enterprises. It is expected that by 31 December 2017, according to the original accounting estimates adopted by the Company, the original value of the power generation and heat supply equipment and fixed assets is approximately RMB88.843 billion. Based on preliminary calculations, if there is no change in accounting estimates, it is expected that the accrual depreciation would amount to approximately RMB4.891 billion in 2018. After the changes in accounting estimates, it is expected that the accrual depreciation will amount to approximately RMB4.032 billion in 2018, which is expected to increase the total profit in the consolidated financial statements of the Company for the year ending 31 December 2018 by approximately RMB859 million.

3. Opinions of the independent directors and the supervisory committee of the Company

The independent directors of the Company are of the view that the Company has made the changes in the expected useful life and expected residual rate of power generation and heat supply equipment and assets in its coal-fired power plants with reference to the standards of other enterprises in the same industry, reflecting the prudence principles of the Accounting Standards for Business Enterprises. The revised accounting estimates can more accurately reflect the financial conditions and business results of the Company, thus such change will be conducive to the provision of more reliable and accurate accounting information. The change in accounting estimates will not be prejudicial to the interests of the minority shareholders. As a result, the independent directors agree with the change in accounting estimates of the Company.

The supervisory committee of the Company is of the view that the changes to the expected useful life and expected residual rate of power generation and heat supply equipment and assets in its coal-fired power plants are in compliance with the relevant requirements of the Accounting Standards for Business Enterprises. Taking into account the actual situations of the Company and with reference to the standards of other listed companies in the same industry, the changes in accounting estimates can more fairly reflect the Company's financial position and operating results, and thus provide more reliable and accurate accounting information. The procedures for considering and approving the changes in

accounting estimates was in compliance with the relevant laws and regulations and the provisions of the Articles of Association of the Company. As a result, the supervisory committee agrees with the change in accounting estimates of the Company.

By order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 21 December 2017

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

Chen Jinhang, Liu Chuandong, Wang Xin, Liang Yongpan, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Liu Haixia, Guan Tiangang, Liu Jizhen, Feng Genfu*, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu**

** Independent non-executive Directors*