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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT  
AND  
INSIDE INFORMATION  
COMPREHENSIVE GOVERNANCE PROPOSAL FOR  
A SUBSIDIARY OF THE COMPANY**

This announcement is made by Datang International Power Generation Co., Ltd. (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), under 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 Hong Kong Listing Rules.

The following announcement is made by the board of directors (the “**Board**”) of the Company in respect of comprehensive governance proposal for a subsidiary of the Company.

**IMPORTANT NOTICE:**

- (I) The Company has considered and approved the “Resolution on the Governance Proposal for the Renewable Resource Company Relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties” at the thirtieth meeting of the ninth session of the Board, pursuant to which, the Company proposed to conduct comprehensive governance of Inner Mongolia Datang International Renewable Resource Development Company Limited (“**Renewable Resource Company**”). Following the anticipated completion of the acquisition of the minority equity interests in Renewable Resource Company, the Company will implement the comprehensive governance proposals of asset impairment, capital replenishment and debt restructuring for Renewable Resource Company (the “**Comprehensive Governance Proposal**”).
- (II) Certain debt restructuring arrangements in relation to the Comprehensive Governance Proposal will constitute related party transactions and/or connected transactions of the Company under the listing rules of the places where the Company is listed. However, since those debt restructuring proposals are either fully exempt under Rule 14A.90 of the Hong Kong Listing

Rules or are covered by previous framework agreements of the Company, the Company therefore does not intend to make further connected transactions announcement in respect of such proposals.

- (III) This Comprehensive Governance Proposal does not constitute material asset restructuring.
- (IV) There is no material legal impediment to the implementation of this Comprehensive Governance Proposal.
- (V) The Comprehensive Governance Proposal is still subject to shareholders' consideration and approval at the general meeting. In relation to certain debt restructuring proposals relating to the Comprehensive Governance Proposal, connected shareholders shall abstain from voting.

## **I. SUMMARY OF THE COMPREHENSIVE GOVERNANCE PROPOSAL**

In order to optimise the debt and equity structure and improve the financial position of Renewable Resource Company, following the anticipated completion of acquisition of the minority equity interests in Renewable Resource Company (i.e. under the prerequisite that Renewable Resource Company becomes a wholly-owned subsidiary of the Company), the Company intends to carry out the Comprehensive Governance Proposal relating to asset impairment, capital replenishment, debt restructuring and so forth for Renewable Resource Company.

At the thirtieth meeting of the ninth session of the Board, the Board has considered and approved the "Resolution on the Governance Proposal for the Renewable Resource Company Relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties". The Comprehensive Governance Proposal is still subject to shareholders' consideration and approval at the general meeting.

## **II. BASIC INFORMATION OF RENEWABLE RESOURCE COMPANY**

Renewable Resource Company was incorporated on 26 July 2007 with a registered capital of RMB258.3207 million. Located in the Tuoketuo Industrial Park of Hohhot City, it produces alumina from pulverised fuel ash and engages in ancillary production of electrolytic aluminium and carbon, which makes it a model enterprise in the industry of integrated utilisation of high-aluminium pulverised fuel ash in China. It is principally engaged in the production, transportation and sales of electrolytic aluminium, alumina, aluminium hydroxide, sodium aluminate, anode carbon block, sodium silicate, active calcium silicate, calcium silicate slag, and so forth. As at the date of this announcement, Renewable Resource Company has an annual installed capacity of 200,000 tons of alumina, 60,000 tons of carbon and 282,000 tons of electrolytic aluminium.

As at 31 December 2017, Renewable Resource Company has total assets of RMB6,146.6146 million and total liabilities of RMB8,166.2507 million, with a gearing ratio of 132.86%, turnover of RMB3,533.2708 million and total loss of RMB674.3848 million (The above data has been audited).

As at 31 October 2018, Renewable Resource Company has total assets of RMB5,877.635 million and total liabilities of RMB8,284.2492 million, with a gearing ratio of 140.95%, a turnover of RMB2,867.9678 million and total loss of RMB395.9617 million (The above data is unaudited).

### **III. MAJOR CONTENTS OF THE COMPREHENSIVE GOVERNANCE PROPOSAL**

According to the general working arrangements of resolving the problems of “zombie enterprises and enterprises with difficulties” for Renewable Resource Company and taking into consideration the actual situation of Renewable Resource Company, based on the acquisition of the minority equity interests in Renewable Resource Company by the Company (with the “Resolution on the Acquisition of the Minority Equity Interests of Renewable Resource Company” being considered and passed at the thirtieth meeting of the ninth session of the Board, pursuant to which, upon the completion of the acquisition of equity interests, the Company will hold 100% equity interests in Renewable Resource Company), the Comprehensive Governance Proposal with regard to asset impairment, capital replenishment and debt restructuring has been made for Renewable Resource Company.

#### **(I) Suspension of Production in Alumina Branch Plant**

Renewable Resource Company adopted the “Pre-desiliconization – soda lime sintering method” for the production of alumina from high-aluminium pulverised fuel ash, which, as a model project in the industry of integrated utilization of high-aluminium pulverised fuel ash in China, utilises new technologies, processes and equipment, and incurs a large sum of research and development expenses given the absence of sophisticated experience for reference. During the commissioning of the infrastructure, a considerable amount of efforts had been made on the procedural optimization of processes and technical improvement of the equipment, and technical improvement still continued to be made in each year after the commencement of production. As the maximum annual output was 73% of the designed capacity and due to the large amount of investments, the production costs were far higher than the market prices. In light of such actual situation, the Company has decided to suspend the production in the alumina branch plant.

#### **(II) Subsequent Treatment of Assets of Renewable Resource Company**

Pursuant to the national policy documents on resolving overcapacity and taking into account the current conditions of Renewable Resource Company, it is proposed to write off equity interest of Renewable Resource Company for its loss of assets. With 31 July

2018 as the benchmark date, and after checking, stocktaking and so forth of the assets, liabilities and interests of Renewable Resource Company, it is estimated that the loss for assets is approximately RMB3.151 billion.

### **(III) Capital Replenishment**

Pursuant to the requirement stipulated in the “Notice of Adjustment of the Capital Ratio of Fixed Assets Investment Projects” (Guo Fa [2009] No. 27) 《關於調整固定資產投資項目資本金比例的通知》(國發[2009]27號) of the State Council on the minimum registered capital (40%) in respect of the electrolytic aluminium industry, the capital of Renewable Resource Company will be replenished by the Company with an amount of RMB2.737 billion, to a sum equivalent to 40% of the total investment in its projects in the amount of RMB7.489 billion, in order to relieve the operating pressure of Renewable Resource Company. The capital will mainly be used to repay intra-group entrustment loans, pay arrears and fulfil other rigid capital needs of Renewable Resource Company.

### **(IV) Debt Restructuring**

1. As of 1 July 2018, the balance of book liabilities of Renewable Resource Company was RMB8.198 billion, including interest-bearing liabilities of RMB6.32 billion and interest-free liabilities of RMB1.878 billion. Based on the accounting standards and the relevant regulations of the China Banking Regulatory Commission, debts that meet the conditions of debt restructuring include accounts of certain amount payable to specific creditors, loans from non-financial institutions, financial leases, etc. The main targets of this debt restructuring and the relevant amounts are set out in the table below:

Unit: RMB'0,000

Borrower	Creditor	Nature of debt	Commencement date	Maturity date	Interest Rate	Outstanding amount
Renewable Resource Company	The Company	Entrustment loan	2018/5/16	2019/5/17	4.785%	36,000.00
			2018/6/5	2019/6/4	4.785%	20,000.00
			2016/2/2	2018/12/31	4.750%	120,000.00
			2016/12/16	2018/12/15	4.750%	20,000.00
			2017/4/7	2020/4/6	4.750%	25,200.00
			2017/6/8	2020/6/7	4.750%	80,000.00
			2017/9/8	2020/9/7	4.750%	33,000.00
			2017/10/25	2020/10/24	4.750%	72,000.00
Subtotal (the Company)						406,200.00
Tuoketuo Power Generation Company	Entrustment loan	2016/12/13	2018/12/22	4.750%	108,500.00	
Inner Mongolia Datang Fuel Company	Entrustment loan	2017/7/26	2018/7/25	4.350%	0	
		2018/7/25	2019/7/24	4.785%	18,000.00	
Datang Financial Lease Company	Financial lease	2013/7/1	2020/6/21	5.586%	18,545.87	
	Factoring	2018/3/13	2019/3/12	6.500%	3,000.00	
Subtotal (Datang Financial Lease Company)						21,545.87
Shanghai Datang Financial Lease Company	Financial lease	2016/4/5	2022/4/5	4.851%	7,304.23	
		2016/5/20	2022/5/20	4.851%	6,913.30	
		2016/7/18	2022/7/18	4.851%	14,719.92	
		2016/11/25	2022/11/25	4.851%	14,955.93	
Subtotal (Shanghai Datang Financial Lease Company)						43,893.18
Hohhot Thermal Power Generation Company	Accounts payable	/	/	/	83,247.84	
Total						681,386.89

Note: Among which, the entrustment loan between Renewable Resource Company and Inner Mongolia Datang Fuel Company was replaced in July 2018 with a loan of RMB180 million bearing an interest rate of 4.785% and with a commencement date of 25 July 2018 and a maturity date of 24 July 2019.

## 2. Approach of Debt Restructuring:

The debt restructuring will be carried out through extension of term and reduction of interest, details of which are as follows:

### (1) Restructuring of Debt with the Company

After the capital replenishment made by the Company, Renewable Resource Company has repaid the principal amount of entrustment loan in the amount of RMB2.137 billion to the Company. The term of the remaining balance of entrustment loans will all be extended to 31 December 2039. From 1 January 2018 to 31 December 2029, a 50% reduction of the annual interest payment will be provided (among which, for 2018, it is expected that the interest payment for the second half of the year shall be exempted, resulting in a 50% interest reduction throughout the year); and the interest accrued from 1 January 2030 shall be paid in full. It is estimated that after the repayment of the entrustment loan of RMB2.137 billion to the Company, the remaining principal and interest of the entrustment loan will be paid off by 2039. During the period of debt restructuring (from 1 January 2018 to 31 December 2039), the Company will waive an interest of RMB548.5452 million receivable from Renewable Resource Company in total.

### (2) Restructuring of Debt with Tuoketuo Power Generation Company

The term of the balance of entrustment loan will be extended to 31 December 2039. From 1 January 2018 to 31 December 2029, a 50% reduction of the annual interest payment will be provided (as for 2018, it is expected that the interest payment for the second half of the year shall be exempted, resulting in a 50% interest reduction throughout the year); and the interest accrued from 1 January 2030 shall be paid in full. It is estimated that the principal and interest will be paid off by 2039. During the period of debt restructuring (from 1 January 2018 to 31 December 2039), Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (“**Tuoketuo Power Generation Company**”, a controlled subsidiary of the Company) will waive an interest of RMB309.225 million receivable from Renewable Resource Company in total.

### (3) Restructuring of Debt with Inner Mongolia Datang Fuel Company

The term of the balance of entrustment loan will be extended to 31 December 2039. From 1 January 2018 to 31 December 2029, a 50% reduction of the annual interest payment will be provided (among which, for 2018, it is expected that the interest payment for the second half of the year shall be exempted, resulting in a 50% interest reduction throughout the year); and the interest accrued from 1 January 2030 shall be paid in full. It is estimated that

the principal and interest will be paid off by 2039. During the period of debt restructuring (from 1 January 2018 to 31 December 2039), Inner Mongolia Datang Fuel Co., Ltd. ("**Inner Mongolia Datang Fuel Company**", a controlled subsidiary of the Company) will waive an interest of RMB46.98 million receivable from the Renewable Resource Company in total.

(4) Restructuring of Debts with Datang Financial Lease Company and Shanghai Datang Financial Lease Company

The payment terms for the principal under the two financial leases (including factoring in the amount of RMB30 million) from Datang Financial Lease Company and Shanghai Datang Financial Lease Company (both are subsidiaries of China Datang Corporation Ltd., a controlling shareholder of the Company) will be extended for 5 years after expiration, and the financial leases shall be repaid in full by the end of November 2027. From 1 January 2018 to November 2027, a 50% reduction of the annual interest payment will be provided (among which, for 2018, it is expected that the interest payment for the second half of the year shall be exempted, resulting in a 50% interest reduction throughout the year). During the period of debt restructuring (from 1 January 2018 to 30 November 2027), Datang Financial Lease Co., Ltd. ("**Datang Financial Lease Company**") will waive the interest of RMB30.4973 million receivable from Renewable Resource Company in total, and Shanghai Datang Financial Lease Company Limited ("**Shanghai Datang Financial Lease Company**") will waive the interest of RMB58.915 million receivable from Renewable Resource Company in total.

(5) Restructuring of Debt with Hohhot Thermal Power Company

Inner Mongolia Datang International Hohhot Thermal Power Generation Company Limited ("**Hohhot Thermal Power Company**") is a controlled subsidiary of the Company. The arrears between Renewable Resource Company and Hohhot Thermal Power Company are the thermal power charges owed by Renewable Resource Company to Hohhot Thermal Power Company. Starting from 2019, the repayment of accounts payable will be made according to the balance of cash flow of Renewable Resource Company and

together with other debts that fall in the scope of debt restructuring in the same proportion. It is expected that the arrears with Hohhot Thermal Power Company will be fully settled by the end of 2039.

(6) Other General Creditors

The amounts due to other general creditors mainly include amounts payable for production material, power fees, service fees, project costs, equipment fees and quality assurance deposit. Renewable Resource Company will arrange to repay as planned.

### **III. CERTAIN DEBT RESTRUCTURING PROPOSALS ARE EXPECTED TO CONSTITUTE RELATED PARTIES TRANSACTIONS/CONNECTED TRANSACTIONS**

#### **(I) Information of the Related Parties/Connected Persons**

1. With a registered capital of RMB300 million, Inner Mongolia Datang Fuel Company is a wholly-owned subsidiary of Beijing Datang Fuel Company Ltd., which is a controlled subsidiary of the Company held as to 51% and 49% by the Company and Datang Electric Power Fuel Company Limited (a wholly-owned subsidiary of China Datang Corporation Ltd., the controlling shareholder of the Company) respectively. According to the Hong Kong Listing Rules, Inner Mongolia Fuel Company is a connected person of the Company. Its principal businesses include wholesale sale of coal and coal products; investment management; technical services; import and export of commodities; import and export agency services; and import and export of technologies.
2. With a registered capital of RMB2 billion, Datang Financial Lease Company is held as to 40%, 20%, 20% and 20% by China Datang Group Capital Holding Co., Ltd., the Company, China Datang Overseas (Hong Kong) Co., Ltd. and Datang Renewable Power (Hong Kong) Co., Ltd., respectively. According to the listing rules of the places where the Company is listed, Datang Financial Lease Company is a related party and a connected person of the Company. Its principal businesses include financial lease business; leasing business; purchase and leasing of properties from the People's Republic of China (the "PRC") and overseas countries; treatment of residual value and maintenance of leased properties; consultation for leasing transactions; and operation of factoring business related to its principal businesses. For projects which shall be approved according to the law, business operations can only be conducted upon approval by relevant authorities.
3. With a registered capital of RMB1 billion, Shanghai Datang Financial Lease Company is held as to 35%, 30%, 25% and 10% by Datang Financial Lease Company, China Datang Corporation Ltd., China Datang Overseas (Hong Kong) Co., Ltd. and China Datang Group Capital Holding Co., Ltd., respectively.



According to the listing rules of the places where the Company is listed, Shanghai Datang Financial Lease Company is a related party and a connected person of the Company. Its principal businesses include financial lease; leasing business; purchase and leasing of properties from the PRC and overseas countries; treatment of residual value and maintenance of leased properties; consultation and guarantee for leasing transactions; and commercial factoring business related to its principal businesses. For projects which shall be approved according to the law, business operations can only be conducted upon approval by relevant authorities.

4. With a registered capital of RMB60 million, Hohhot Thermal Power Company, a controlled subsidiary of the Company, is held as to 51% and 49% by the Company and China Datang Corporation Ltd., respectively. According to the Hong Kong Listing Rules, Hohhot Thermal Power Company is a connected person of the Company. Its principal businesses include electricity generation; electricity technology consultation and services as well as the comprehensive utilization of electricity.

## **(II) Major Contents of the Proposed Related Parties Transactions/Connected Transactions**

Upon completion of their internal decision-making procedures, it is expected the relevant creditors will, individually or jointly, enter into relevant agreements with Renewable Resource Company in relation to the implementation of the aforesaid proposals for debt restructuring, which mainly include reduction of interest on the extended entrustment loan in an amount of RMB180 million with Inner Mongolia Datang Fuel Company, reduction of interest on the extended financial lease of RMB215 million (including RMB30 million of factoring) with Datang Financial Lease Company, reduction of interest on the extended financial lease of RMB439 million with Shanghai Datang Financial Lease Company and the arrears in an amount of RMB832 million with Hohhot Thermal Power Company. For details of the extension of term and reduction of interest of debts, please refer to the section headed “(IV) Debt Restructuring” under “III. MAJOR CONTENTS OF THE COMPREHENSIVE GOVERNANCE PROPOSAL” of this announcement.

Upon entering into the relevant agreements, the Company will perform its obligations of disclosure of information as required.

## **(III) Implications under the Hong Kong Listing Rules**

Since the afore-mentioned proposals for restructuring of debts (including, amongst others, the extension of term and reduction of interest rate) for Renewable Resource Company by Inner Mongolia Datang Fuel Company and Hohhot Thermal Power Company will be conducted on normal commercial terms or better and will not be secured by the assets of the Company’s group, such proposals are fully exempt from announcement and shareholders’ approval requirements under Rule 14A.90 of the Hong Kong Listing Rules.

Since the afore-mentioned proposals for restructuring of debts (including, amongst others, the extension of term and reduction of interest rate) for Renewable Resource Company by Datang Financial Lease Company and Shanghai Datang Financial Lease Company are covered by the relevant framework agreements entered into by the Company, Datang Financial Lease Company and Shanghai Datang Financial Lease Company (details of which please refer to the announcement and circular of the Company dated 1 September 2016 and 31 July 2018, respectively), the Company does not intend to make further connected transactions announcement in respect of such proposals.

#### **IV. IMPACTS OF THE COMPREHENSIVE GOVERNANCE PROPOSAL ON THE COMPANY**

1. The losses for assets and the write-off of equity interests of the Renewable Resource Company shall not affect the profits of Company's parent company. It is estimated that the consolidated total assets of the Company will decrease by approximately RMB3,150.69 million and the owners' equity will decrease by approximately RMB3,150.69 million.
2. The debt restructuring proposal for Renewable Resource Company will lead to a decrease of approximately RMB45.71 million in the annual interest income of the Company, with a total decrease of approximately RMB548.5452 million during the period of debt restructuring; a decrease of approximately RMB25.77 million in the annual income of Tuoketuo Power Generation Company, with a total decrease of approximately RMB309.225 million during the period of debt restructuring; and a decrease of approximately RMB3.92 million in the annual income of Inner Mongolia Fuel Company, with a total decrease of approximately RMB46.98 million during the period of debt restructuring.
3. The implementation of the Comprehensive Governance Proposal will be beneficial to the continuous operation of Renewable Resource Company, improve its operating conditions and enhance its profitability, and will facilitate the development of the Company and Renewable Resource Company in future.

#### **V. APPROVAL PROCEDURES OF THE COMPREHENSIVE GOVERNANCE PROPOSAL**

The "Resolution on the Governance Proposal for the Renewable Resource Company Relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties" has been considered and passed at the thirtieth meeting of the ninth session of the Board of the Company. As certain debt restructuring proposals are expected to constitute related parties transactions and/or connected transactions of the Company, the related directors including Mr. Chen Jinhang, Mr. Liu Chuandong and Mr. Liang Yongpan have abstained from voting on such matters. The Comprehensive Governance Proposal has been approved by the Board, and is proposed to be submitted for shareholders' consideration and approval at the general meeting of the Company.

The “Resolution on the Governance Proposal for the Renewable Resource Company Relating to the Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties” was considered and passed at the eighteenth meeting of the ninth session of the supervisory committee of the Company. The supervisory committee is of the view that the implementation of the Comprehensive Governance Proposal for Renewable Resource Company will restore Renewable Resource Company’s ability to continue its operations and generate sustainable profitability, thus providing maximum protection to the fundamental interests of the creditors and investors. The decision-making procedures of the Board with regard to such resolution is in compliance with the provisions of the relevant laws and regulations.

The independent directors are of the view that the implementation of the Comprehensive Governance Proposal for Renewable Resource Company, and the restructuring of debts with related parties via extension of term and reduction of interest can relieve the debt repayment pressure of Renewable Resource Company, so as to maintain its vitality and development, and enhance and improve its profitability, which is in the interest of the Company and its shareholders as a whole.

The Comprehensive Governance Proposal is still subject to shareholders’ consideration and approval at the general meeting of the Company. The connected shareholders, i.e. China Datang Corporation Ltd. and its associates, shall abstain from voting at the general meeting in respect of the resolution in relation to certain debt restructuring proposals as aforesaid, which are expected to constitute related parties transactions and/or connected transactions of the Company.

By Order of the Board  
**Ying Xuejun**  
*Company Secretary*

Beijing, the PRC, 5 December 2018

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, Zhang Ping, Jin Shengxiang, Liu Jizhen\*, Feng Genfu\*, Luo Zhongwei\*, Liu Huangsong\*, Jiang Fuxiu\**

\* *Independent non-executive director*