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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 THE PROGRESS IN RELATION TO
THE COMPLETION OF THE DISPOSAL OF COAL-TO-CHEMICAL
BUSINESS SEGMENT
AND
PERFORMANCE OF GUARANTEE OBLIGATIONS**

References are made to the major and connected transaction announcement of Datang International Power Generation Co., Ltd. (the “**Company**” or “**Datang Power**”) dated 30 June 2016, the circular of the Company dated 12 August 2016 (the “**Circular**”), and the announcements of the Company dated 28 September 2016 and 6 February 2017 regarding the progress in relation to the disposal of the coal-to-chemical business segment. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

The transaction under the Transfer Agreement was completed on 31 August 2016. As stated in the Circular, the Company will publish an announcement for any update on the status of the guarantee arrangement as set out in the Transfer Agreement as and when appropriate.

I. INTRODUCTION

Duolun Coal Chemical Company, Hulunbeier Fertiliser Company and Xilinhaote Mining Company, the former controlled subsidiaries of the Company prior to the completion of the transaction under the Transfer Agreement, entered into loan contracts with four financial institutions, respectively during the period from 2008 to 2016, with joint liability guarantee provided by the Company for such facilities.

Recently, the Company received four demand letters from four financial institutions respectively, which required the Company to perform the guarantee obligations pursuant to the guarantee that were previously signed and are still in effect, and to pay the interest for the

period between 21 September 2017 and 20 September 2018 to such four financial institutions before 21 December 2018, amounting to approximately RMB327.9252 million in aggregate. The details are set out below:

No.	Guarantee	Debtor	Creditor	Balance of guarantee (RMB0'000)	Interests to be paid (RMB0'000)	Guarantee ratio
1	Guarantee (No.: 22100120140025905)	Hulunbeier Fertiliser Company	Jilin City Huisheng Branch of Agricultural Bank of China Limited	96,400.00	3,387.05	100%
2	Guarantee (No.: Xin Ying Yin Bao Zi [2015] No. 000610), (No.: Xin Ying Yin Bao Zi No. 000725)	Duolun Coal Chemical Company	Operation and Business Department of the Head Office of China CITIC Bank Corporation Limited	451,200.00	20,575.37	60%
3	Guarantee (No.: Jian Meng Xi Dan Bao [2008] No. 3-1)	Xilinhaote Mining Company	Xilingol Branch of China Construction Bank Corporation Limited	25,000.00	864.34	100%
4	Guarantee (No.: [Sui Jian Dong Ji Jian Dai 2009 No. 03] Guarantee contract for fixed assets loan contract)	Duolun Coal Chemical Company	Guangzhou Yuexiu Branch of China Construction Bank Corporation Limited	230,400.00	7,965.76	60%

The Company has made interest payment of approximately RMB327.9252 million in aggregate to the relevant banks or financial institutions on 21 December 2018. Save for the above, there is no other performance of guarantee obligations of the Company.

On 30 June 2016, the Company and Zhongxin Energy and Chemical, a wholly-owned subsidiary of CDC at the time of transfer, entered into the Transfer Agreement, pursuant to which, amongst others, the Company conditionally agreed to sell and Zhongxin Energy and Chemical conditionally agreed to acquire the Transaction Target, the completion of which took place on 31 August 2016. In December 2016, adjustments were made to the shareholders of Zhongxin Energy and Chemical. As of the date of this Announcement, its shareholding structure is as follows: 35% of its equity interest is held by CDC, 35% of its equity interest is held by Guoxin Boyuan Investment (Beijing) Co., Ltd. (國新博遠投資(北京)有限公司) and 30% of its equity interest is held by Beijing Chengtong Capital Operation Co., Ltd.. The afore-mentioned Duolun Coal Chemical Company, Hulunbeier Fertiliser Company and Xilinhaote Mining Company, were former controlled subsidiaries of the Company. Such companies are currently the controlled subsidiaries of Zhongxin Energy and Chemical.

II. SUMMARY OF THE GUARANTEED PARTIES

1. Duolun Coal Chemical Company was incorporated on 19 August 2009, with a registered capital of 4,050.00 million. The scope of principal businesses are: production, storage, transportation and sales of polypropylene, propylene, ethylene, sulphur, methanol, LPG, petroleum, hydrogen, nitrogen, oxygen, liquefied nitrogen, liquefied oxygen; production and sales of electricity, thermal power, fly ash, gypsum and its products; provision of services in relation to chemicals, repairs and maintenance of power equipment, installation and commissioning; provision of training services in relation to chemicals, power consulting and technology; mechanical processing, design and development of new products, transfer of technology.

As at 31 December 2017, Duolun Coal Chemical Company has total assets of RMB22,289.8271 million and total liabilities of RMB25,876.2284 million, with a gearing ratio of 116.09%, a turnover of RMB1,680.6242 million and total loss of RMB2,491.4037 million. (The above information has been audited)

As at 30 November 2018, Duolun Coal Chemical Company has total assets of RMB12,856.8417 million and total liabilities of RMB26,520.5784 million, with a gearing ratio of 206.28%, a turnover of RMB2,651.1052 million and total loss of RMB1,087.5052 million. (The above information is unaudited)

2. Hulunbeier Fertiliser Company was incorporated in September 2007, with a registered capital of 548.20 million. The scope of principal businesses are: production and sales of synthetic ammonia, urea, industrial oxygen, industrial nitrogen and industrial sulphur.

As at 31 December 2017, Hulunbeier Fertiliser Company has total assets of RMB2,260.4668 million and total liabilities of RMB3,162.6770 million, with a gearing ratio of 139.91%, a turnover of RMB378.2779 million and total loss of RMB249.9196 million. (The above information has been audited)

As at 30 November 2018, Hulunbeier Fertiliser Company has total assets of RMB1,486.0137 million and total liabilities of RMB3,136.6271 million, with a gearing ratio of 211.08%, a turnover of RMB430.1943 million and total loss of RMB37.4389 million. (The above information is unaudited)

3. Xilinhaote Mining Company was incorporated on 23 August 2007 with the Industrial and Commercial Bureau of Xilinhote City. Its registered capital is RMB1,666.05 million. The scope of principal businesses are: sales of ores (other than those under public monopoly), overburden removal, technological consultancy and services in relation to ores; import and export trading.

As at 31 December 2017, Xilinhaote Mining Company has total assets of RMB14,704.7274 million and total liabilities of RMB14,744.9552 million, with a gearing ratio of 100.27%, a turnover of RMB411.5894 million and total loss of RMB597.3447 million. (The above information has been audited)

As at 30 November 2018, Xilinhaote Mining Company has total assets of RMB14,662.1227 million and total liabilities of RMB15,405.0457 million, with a gearing ratio of 105.07%, a turnover of RMB216.6982 million and total loss of RMB317.6054 million. (The above information is unaudited)

III. THE COUNTER-GUARANTEE OBLIGATIONS RELATING TO ZHONGXIN ENERGY AND CHEMICAL

Pursuant to the requirements of the Transfer Agreement and the undertakings as set out on the letters of undertaking for counter-guarantee issued by Zhongxin Energy and Chemical to the Company: in respect of circumstances where the guarantee obligations shall be performed by the Company, the Company shall promptly notify Zhongxin Energy and Chemical, and Zhongxin Energy and Chemical shall repay the creditor or secured creditor on behalf of the Company to prevent the Company from actually bearing the relevant guarantee obligations. After performing guarantee obligations for repayment, the Company shall issue written notice to Zhongxin Energy and Chemical; and Zhongxin Energy and Chemical shall pay the sums in full that are payable by the Company for its performance of guarantee obligations as well as for the liquidated damages related to the above-mentioned payment (for the period from 21 December 2018 to the date of repayment by Zhongxin Energy and Chemical) within 5 working days from the date of receiving the written notice. The liquidated damages shall be determined with reference to the People's Bank of China's interest rate standard on overdue loans.

IV. THE IMPACT ON THE COMPANY FOR UNDERTAKING THE GUARANTEE OBLIGATIONS

The guarantee obligations (payment of interest and related expenses) undertaken by the Company will be listed as creditor's rights of Zhongxin Energy and Chemical or the corresponding guaranteed companies. The guarantee obligations that have been undertaken create certain impact on the liquidity of the Company, but do not create material impact on the operating results of the Company for the current year.

V. MEASURES TAKEN BY THE COMPANY

On 21 December 2018, the Company acted with the principle of integrity, and undertook the guarantee obligations in compliance with the guarantee contracts that were previously signed and are still in effect, paying for interest of approximately RMB334.7961 million in aggregate.

The Company issued a written notice to Zhongxin Energy and Chemical on 21 December 2018, pursuant to which, Zhongxin Energy and Chemical is required to, according to the requirements of the Transfer Agreement and the undertaking as set out in the letter of undertaking for counter-guarantee issued to the Company, pay the Company within 5 working days from the date of receiving the written notice, for a total amount of approximately RMB334.7961 million that was paid by the Company for its performance of guarantee obligations as well as the liquidated damages related to the above-mentioned payment for the period from 21 December 2018 to the date of repayment. The liquidated damages shall be determined with reference to the People's Bank of China's interest rate standard on overdue loans.

It is understood that Zhongxin Energy and Chemical and its subsidiaries are in the process of debt restructuring. The Company will pay close attention to Zhongxin Energy and Chemical on its progress of fulfilling its counter-guarantee obligations and its debt restructuring. The Company will fulfill the obligations of disclosure of relevant information according to the actual progress and the requirements of the Listing Rules. Investors are advised to pay attention to investment risks.

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 24 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 Directors*