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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
PROVISION FOR ASSET IMPAIRMENT,
RETIREMENT OF ASSETS, RETIREMENT OF SUPPLIES AND
WRITE-OFF OF PRELIMINARY PROJECT EXPENSES OF CERTAIN
AFFILIATED ENTERPRISES**

This announcement is made by Datang International Power Generation Co., Ltd. (“**Datang International**” or 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.

The Company convened the thirty-fourth meeting of the ninth session of the Board on 28 March 2019, at which the “Resolution on Provision for Asset Impairment, Retirement of Assets and Supplies and Write-off of Preliminary Project Expenses of Certain Affiliated Enterprises” was considered and approved. To give an objective view of the financial position and operation results of the Company and ensure the truthfulness and reliability of the accounting information, in accordance with Accounting Standards for Business Enterprises and the requirements of relevant accounting policies of Datang International, after inventorying, sorting and verifying the assets of certain affiliated enterprises at all levels in the system and taking the necessary impairment testing measures, the provisions have been made for assets impairment, retirement of assets, retirement of supplies and write-off part of preliminary project expenses of certain affiliated enterprises of the Company. The details in respect of the provision for asset impairment, retirement of fixed assets, retirement of supplies and write-off part of preliminary project expenses are set out as below:

I. PROVISION FOR ASSET IMPAIRMENT

(I) Provision for Fixed Assets

1. According to requirements of capacity reduction in Heibei Province, Datang Baoding Huayuan Thermal Power Co., Ltd. (“**Baoding Huayuan**”) closed two 125MW power generating units in 6 September 2018 and demolished the main facilities. Baoding Huayuan has entered winding-up and liquidation proceedings. Taking into account the gains on asset disposal and the capacity indicator in the future, it is proposed that a provision for fixed asset impairment of RMB78.9643 million has been made for 2018.
2. Pursuant to the requirement under the “Notice about the Execution of Closedown of Coal-fired Power Generation Units in Beijing by Beijing Municipal Commission of Development and Reform” (Jing Fa Gai [2013] No. 1946), the Gao Jing Thermal Power Plant of Datang International Power Generation Co., Ltd. Beijing (the “**Gao Jing Thermal Power Plant**”) have shut down six coal-fired power generation units at the old factories on 23 July 2014. Upon approval, provision was made for impairment in the amount of RMB618 million in 2014. The net asset of the closed coal-fired power generation units amounted to RMB114 million. According to market research and analysis, it is estimated that the recoverable amount of the coal-fired power generation units is about RMB30 million and a provision for fixed asset impairment of RMB80 million has been made.
3. Inner Mongolia Datang International Renewable Energy Resource Development Company Limited (“**Renewable Resource**”) has signs of loss impairment for a long period of time. After impairment testing, a provision for fixed asset impairment of RMB180.1121 million has been made for 2018.

Based on the foregoing, a provision for fixed asset impairment of RMB339.0764 million has been made for 2018.

(II) Provision for Inventory Impairment

1. Baoding Huayuan has entered winding-up and liquidation proceedings. According to the assessment result, a provision for overstocked raw materials and oil inventory impairment of RMB4.6492 million has been made.
2. The overstocked raw materials of Heilongjiang Longtang Electricity Investment Co., Ltd. has no use value, for which inventory impairment of RMB136,800 has been provided.

Based on the foregoing, a provision for inventory impairment in an amount of RMB4.786 million has been made for 2018.

(III) Provision for Goodwill Impairment

In 2015, Datang Hebei Power Generation Co., Ltd. acquired 100% equity interest in Hebei Matou Power Generation Co., Ltd. (“**Matou Power Generation Company**”), a subsidiary of State Grid Corporation of China, at a consideration of RMB206 million, and recorded goodwill of RMB54.232 million. As Matou Power Generation Company was absorbed by Matou Thermal Power Branch of Datang Hebei Power Generation Co., Ltd. by way of merger in 2016, and the seventh power generating unit which originally belonged to Matou Power Generation Company has been shut down and subsequently no profit will be generated, therefore the combination of goodwill incurred resulted in a provision for goodwill impairment of RMB54.232 million for 2018. The goodwill impairment loss has been included in the consideration of Datang International’s acquisition of Datang Hebei Power Generation Co., Ltd.

Based on the foregoing, a provision for goodwill impairment of RMB54.232 million has been made for 2018.

(IV) Provision for Bad Debts

1. Due to the long term discontinuation of Inner Mongolia Datang Tongfang Silicon and Aluminium Technology Company Limited (“**Tongfang Silicon and Aluminium**”), it is expected that Renewable Resource will be unable to recover its receivable in the amount of RMB117.6488 million due from Tongfang Silicon and Aluminium and a provision for bad debt impairment of 117.6488 million has been made for 2018.
2. Due to the long term discontinuation of Tongfang Silicon and Aluminium, the full amount of the principal and interest receivable in connection with the entrusted loan of Datang International due from Tongfang Silicon and Aluminium of RMB114.6188 million is unrecoverable. Taking into account the fact that part of the sum will be repaid through asset disposal, a provision for bad debt impairment of 24.6188 million has been made for 2018.
3. Due to the long term discontinuation of Tongfang Silicon and Aluminium and the cancelation of Tuoketuo Datang High-aluminium Pulverised Fuel Ash Development Co., Ltd. (“**High-aluminium**”) and Hohhot Tsinghua Sunshine Solar Equipment Sales Center (“**Tsinghua Sunshine**”), the receivables of Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (“**Tuoketuo Power Generation**”) in the amount of RMB5.3515 million and RMB275,700 due from Tongfang Silicon and Aluminium and High-aluminium and prepayments of RMB558,900 to Tsinghua Sunshine are expected to be unrecoverable, and a provision for bad debts of RMB6.1861 million has been made for 2018.

4. A provision for receivable bad debts of Datang Heilongjiang Power Generation Co., Ltd. of RMB2.9426 million is made; of which, RMB133,000, RMB27,200 and RMB2.7824 million are from Harbin First Thermal Power Plant, Heilongjiang Longtang Electricity Investment Co., Ltd. and Jixi Chenyu Environmental Engineering Co., Ltd., respectively.
5. Due to the long term discontinuation of Tongfang Silicon and Aluminium, the receivable of Beijing Datang Fuel Co., Ltd. due from Tongfang Silicon and Aluminium in the amount of RMB891,200 is expected to be unrecoverable, and a provision for bad debt impairment of RMB891,200 has been made for 2018.
6. The refund that is due from Siping Juyuan Heat Exchange Equipment Co., Ltd. (四平市巨元換熱設備有限公司) to Shanxi Datang International Yungang Thermal Power Company Limited (山西大唐國際雲岡熱電有限責任公司) in the amount of RMB800,000 is expected to be unrecoverable, and a provision for bad debt impairment of RMB800,000 has been made for 2018.
7. The interest receivables on the borrowings of Yuneng (Group) Company Limited (“**Yuneng**”) due from Chongqing Tongtai Powder Technology Co., Ltd. (重慶同泰粉體科技有限公司)(“**Tongtai Powder**”) of RMB238,800 is unrecoverable and a provision for bad debt impairment of RMB238,800 has been made for 2018.
8. The balance of account receivables of Yungang branch of Datang Tongzhou Technology Company Limited in the amount of 196,800 is expected to be unrecoverable and a provision for bad debt impairment of RMB196,800 has been made for 2018.
9. The balance amount of payment receivable by Chongqing Datang International Pengshui Hydropower Development Co., Ltd. (“**Pengshui Hydropower**”) from Guangxi Zhongheng Hoisting Co., Ltd. of RMB70,000 is expected to be unrecoverable and a provision for bad debt impairment of RMB70,000 has been made for 2018.
10. The receivable of Chongqing Keyuan Energy Technology Development Company Limited due from Wasion Group Limited of RMB3,300 is expected to be unrecoverable and a full provision for bad debt impairment of RMB3,300 has been made in 2018.

Deducting the bad debts that were recognised in previous years in the amount of RMB98,600 in 2018, and based on the foregoing, a provision for bad debts in an aggregate amount of RMB153.4978 million has been made for 2018.

(V) Provision for Impairment of Construction in Progress

1. The deep processing integration project of Datang Inner Mongolia Erdos using high alumina coal with an annual output of 500,000 tons of alumina undertaken by Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited has signs of impairment in construction in progress. After testing, a provision for impairment of construction in progress of RMB49.8702 million has been made for 2018.
2. The infrastructure and preliminary projects of Chongqing Yujiang Hydropower Development Company Limited (“**Yujiang Company**”) have been stagnant for a long time. After the impairment test, a provision for impairment in construction in progress of RMB29.0562 million has been made for 2018.
3. The phase 3 expansion of Panshan Power Generation of Tianjin Datang International Panshan Power Generation Company Limited has signs of impairment. After testing, a provision of impairment in construction in progress of RMB7.0597 million has been made for 2018.
4. Baoding Huayuan is under winding-up and liquidation. Part of its informatization engineering projects are in stagnation and unqualified to be carried forward to fixed assets. A provision for impairment in the construction in progress of RMB2.1529 million is proposed to be made for 2018.
5. The “Qingshuihe Industrial Cluster Electrolytic Aluminum Project of Inner Mongolia Datang International”, “Qingshuihe Industrial Cluster Self-provided Power Plant Project Inner Mongolia Branch of Datang International” and “Qingshuihe Limestone Project”, have signs of impairment. After testing, a provision for impairment in construction in progress of 1.8708 million has been made for 2018.
6. The dangerous building renovation project of Gao Jing Thermal Power Plant has signs of impairment. After testing, a provision for impairment in construction in progress of RMB1.35 million has been made for 2018.

The foregoing resulted in a provision for bad debts impairment in an aggregate amount of RMB91.3598 million for 2018.

Based on the foregoing, a provision for asset impairment of RMB642.952 million is made for 2018.

II. RETIREMENT OF FIXED ASSETS

Datang International counted and compiled the fixed assets of affiliated enterprises retired and the amount of assets retired in 2018 is RMB142.2313 million.

III. RETIREMENT OF SUPPLIES

Datang International counted and compiled the inventory of its affiliated enterprises and the total price inclusive of tax of supplies retired in 2018 is RMB30.7721 million.

IV. WRITE-OFF OF PRELIMINARY PROJECT EXPENSES

Some of the preliminary projects of the affiliated enterprises of Datang International are of low economic efficiency, which is contrary to the direction for development of the Company in the future. The preliminary expenses of the Daqing Qingnan utility island project in 2018 of Datang Heilongjiang Power Generation Co., Ltd. has been written off of RMB2.4869 million. The preliminary expense of Qinghai energy project of Chongqing Branch of Datang International is RMB613,000.

The foregoing resulted in a write-off of preliminary project expenses in an aggregate amount of RMB3.0999 million for 2018.

V. IMPACT ON PROFITS FOR THE CURRENT PERIOD

Based on the foregoing, the foregoing provisions for asset impairment, retirement of fixed assets, retirement of supplies and write-off of part of preliminary project expenses resulted in a decrease in the Company's profit for 2018 by RMB819.0407 million and a decrease in net profit attributable to the parent company by RMB625.6718 million.

VI. PROCEDURES FOR CONSIDERATION AND APPROVAL OF PROVISIONS FOR IMPAIRMENT, RETIREMENT OF FIXED ASSETS, RETIREMENT OF SUPPLIES AND WRITE-OFF OF PART OF PRELIMINARY PROJECT EXPENSES

The Company convened the thirty-fourth meeting of the ninth session of the Board and the nineteenth meeting of the ninth session of the supervisory committee on 28 March 2019, at which the "Resolution on Provisions for Asset Impairment, Retirement of Assets and Supplies and Write-off of Preliminary Project Expenses of Certain Affiliated Enterprises" was considered and approved.

The directors (including independent directors) are of the view that the provisions for asset impairment, retirement of fixed assets, retirement of supplies and write-off of part of preliminary project expenses are in compliance with the Accounting Standards for Business

Enterprises and the relevant accounting policies of the Company, fairly reflect the assets value of the Company, and ensure the standardized operation of the Company without prejudicing the legitimate interests of the shareholders of the Company.

The supervisory committee is of the view that the provisions for asset impairment, retirement of fixed assets, retirement of supplies and write-off of part of preliminary project expenses made by the Company in accordance with the provisions of the Accounting Standards for Business Enterprises and the relevant financial policies of the Company, which is in line with the actual situation of the Company. Upon the completion of the provisions for asset impairment, retirement of fixed assets, retirement of supplies and write-off of part of preliminary project expenses, it can give a fair view on the asset conditions of the Company as at 31 December 2018.

By Order of the Board
Ying Xuejun
Company Secretary

Beijing, the PRC, 28 March 2019

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

Chen Feihu, Wang Sen, 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*