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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)**

**INSIDE INFORMATION**  
**AND**  
**PROVISION FOR IMPAIRMENT OF LIANCHENG POWER**  
**GENERATION COMPANY**

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

Reference is made to announcements of the Company dated 27 June 2019 and 15 July 2019 in relation to, among other matters, the bankruptcy and liquidation of Liancheng Power Generation Company (the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings ascribed to them in the Announcements.

On 30 August 2019, the Company convened the third meeting of the tenth session of the board of directors (the “**Board**”) during which the Company’s proposal on the provision for impairment of Liancheng Power Generation Company was considered and approved. Details of the approved proposal are as follows:

**I. OVERVIEW OF THE PROVISION FOR IMPAIRMENT OF LIANCHENG POWER GENERATION COMPANY**

**1. Reasons for the provision for impairment of Liancheng Power Generation Company**

As disclosed in the Announcements, the Court held that Liancheng Power Generation Company was subject to bankruptcy and liquidation on the ground that it was seriously insolvent and unable to meet the outstanding debts.

Given that Liancheng Power Generation Company has entered into bankruptcy proceedings, Liancheng Power Generation Company would no longer be consolidated as a subsidiary of the Company in accordance with the requirements under the Accounting Standards for Business Enterprise.

**2. Particulars of the provision for impairment of Liancheng Power Generation Company and the related accounting treatment**

***(i) Recognition of losses for long-term equity investments***

The Company has recognised losses for its long-term equity investment in respect of Liancheng Power Generation Company in the amount of RMB 152 million, which results in the decrease of the Company's total profit for 2019 by RMB 152 million.

***(ii) Provision for impairment of entrusted loan***

As the recoverable amount for the assets of Liancheng Power Generation Company is yet to be determined, the settlement ratio is tentatively calculated at the assessed value as stated in the valuation report issued by Gansu Zhongshenghua Assets Appraisal Firm\* (甘肅中生華資產評估事務所). Upon calculation, provision will be made for the impairment of the entrusted loan in the amount of RMB 331 million, which resulted in a decrease of the Company's total profit for 2019 by RMB 331 million.

***(iii) Recognition of estimated liabilities***

The loan principal and interest guaranteed by the Company for Liancheng Power Generation Company amounted to RMB 869 million in total. Based on the settlement ratio, the estimated liabilities of RMB 536 million have been recognised, which results in a decrease of the Company's total profit for 2019 by RMB 536 million.

***(iv) Impact of the provision for impairment of Liancheng Power Generation Company on the Company's financial position***

Having taken into account the reversal of increased profits and losses recognized in the previous year at the consolidated level, the aforesaid matters resulted in a decrease of the Company's total profit as stated in its consolidated financial statements by RMB 213 million, a decrease in the net profit attributable to equity holders of the parent company as stated in the consolidated financial statements by RMB 213 million, and a decrease in the total profit attributable to the owner of the parent as stated in the consolidated financial statements by RMB 213 million, and a decrease in the total profit of the Company as parent company for 2019 by RMB 1.019 billion.

The final amount of provision for impairment and the recognition of estimated liabilities will be subject to the results of the bankruptcy and liquidation.

## **II. PROCEDURES FOR THE CONSIDERATION AND APPROVAL OF THE PROVISION FOR IMPAIRMENT OF LIANCHENG POWER GENERATION COMPANY**

On 30 August 2019, the Company convened the third meeting of the tenth session of the Board and the second meeting of the tenth session of the supervisory committee, which considered and approved the “Resolution on Provision for Impairment in respect of Gansu Liancheng Power Generation Company and Related Accounting Treatment”.

The Board is of the view that the provision for impairment and the related accounting treatment are in compliance with requirements of the Accounting Standards for Business Enterprise as well as the relevant accounting policies of the Company, and that it fairly reflects the asset value of the Company and ensures the standardised operations of the Company without prejudicing legitimate interest of the shareholders of the Company.

The supervisory committee believes that the Company has made provision for impairment and the related accounting treatment in accordance with 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 completion of the provision for impairment and the related accounting treatment, it can provide a fair presentation of the financial position of the Company.

By Order of the Board  
**Jiang Jinming**  
*Company Secretary*

Beijing, the PRC, 30 August 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*