

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
ANNOUNCEMENT ON PROVISIONS FOR ASSET IMPAIRMENT

This announcement is made by Datang International Power Generation Co., Ltd. (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 Company convened the twenty-second meeting of the tenth session of the board of directors (the “**Board**”) on 30 August 2021 during which the “Resolution on Provisions for Asset Impairment of the Company and Certain Subsidiaries” was considered and approved. To give an objective view of financial positions and operation results of the Company and ensure the truthfulness and reliability of the accounting data, in accordance with Accounting Standards for Business Enterprises and requirements of relevant accounting policies of the Company, provisions are intended to be made for impairment of assets which showed signs of impairment.

Details in respect of the provisions for fixed asset impairment are set out below:

I. ASSET IMPAIRMENT

(I) Provision for asset impairment

Datang Inner Mongolia Erdos Silicon and Aluminium Technology Company Limited (“**Erdos Silicon and Aluminium**”), a wholly-owned subsidiary of the Company, established in September 2009, plans to build production equipment of 500,000 tons/year alumina oxide, 260,000 tons/year electrolytic aluminium, 150,000 tons/year carbon and 300,000 tons/year high-precision aluminium strip, with 2×350MW supercritical unit power workshop as supporting. Erdos Silicon and Aluminium has made provision for impairment of construction in progress (mainly alumina oxide-related construction in progress) of approximately RMB50 million. For details, please refer to the Announcement on the Provision for Asset Impairment, Retirement of Assets, Retirement of Supplies and Write-off of Preliminary Project Expenses of Certain Affiliated Enterprises issued by the

Company on 28 March 2019. At present, combined with the goals of “carbon peak” and “carbon neutral” in China, and the actual situation of continuous resolution of excess capacity of electrolytic aluminium, it is difficult to obtain the production capacity indicators of electrolytic aluminium and carbon as well as the energy consumption indicators of power workshop. After economic re-evaluation, Erdos Silicon and Aluminium could not achieve the expected return, the project is no longer feasible, and there are signs of asset impairment. According to the valuation report (Guo Zhong Lian Ping Bao Zi (2021) No. 2-0932) issued by Guozhonglian Asset Valuation and Land and Real Estate Appraisal Co., Ltd. and impairment test, a provision for asset impairment of RMB669 million has been made, and the impairment test was conducted by adopting comparison between recoverable amount and carrying amount to determine whether the asset is impaired. Among which, the prepayment paid for equipment ordered by Erdos Silicon and Aluminium could not be recovered due to unilateral termination of the contract, and the provision for asset impairment was approximately RMB67 million; the provision for asset impairment of certain fixed assets, construction in progress, engineering materials and other physical assets was approximately RMB602 million. The details of provisions for impairment of physical assets are shown in the table below:

Unit: RMB'0,000

Name	Carrying amount	Appraisal value	Provision for impairment
Engineering materials	1,851.84	405.94	1,445.90
Construction in progress - civil	58,663.42	849.77	57,813.65
Construction in progress - equipment	1,143.80	258.38	885.42
Fixed assets - electronic office equipment	8.19	3.60	4.59
Fixed assets - machine equipment	5.96	4.42	1.54
Total	<u>61,673.21</u>	<u>1,522.11</u>	<u>60,151.1</u>

(II) Credit impairment losses

1. China Datang Corporation Hong Kong Co., Limited (“**Hong Kong Company**”) a wholly-owned subsidiary of the Company, has a risk of unrecoverable receivables of USD13 million (equivalent to approximately RMB84 million) due to trade disputes. According to the requirements of the Accounting Standards for Business Enterprises, a provision for credit impairment of accounts receivable with signs of impairment of approximately RMB84 million is proposed to be made.
2. Based on the asset management situation of Erdos Silicon and Aluminium, the entrusted loan is difficult to recover and there are signs of impairment. According to the requirements of the Accounting Standards for Business Enterprises, a provision for credit impairment of approximately RMB440 million, RMB109 million and RMB22 million, totaling approximately RMB571 million, has been made by the Company, Inner Mongolia Datang International Tuoketuo Power Generation Company Limited (a subsidiary of the Company) and Inner Mongolia Datang Fuel Company Limited (a subsidiary of the Company), respectively.

II. PROVISIONS FOR LONG-TERM EQUITY INVESTMENT IMPAIRMENT

Due to continuous operating losses and insolvency, there are signs of impairment in Erdos Silicon and Aluminium. A full provision for long-term equity investment impairment of RMB188 million has been made.

III. IMPACT OF PROVISIONS FOR IMPAIRMENT ON THE FINANCIAL POSITION OF THE COMPANY

As Erdos Silicon and Aluminium is consolidated into the Company, the impairment losses for long-term equity investment and entrusted loan have no impact on the Company’s consolidated statements. Due to the above matters, the total profit in the Company’s consolidated statements decreased by approximately RMB753 million, and the total profit attributable to the parent company decreased by approximately RMB628 million.

IV. PROCEDURES FOR CONSIDERATION AND APPROVAL OF THE PROVISIONS FOR IMPAIRMENT

The Company convened the twenty-second meeting of the tenth session of the Board and the fourteenth meeting of the tenth session of the supervisory committee on 30 August 2021, at which the “Resolution on Provisions for Asset Impairment of the Company and Certain Subsidiaries” was considered and approved.

The Board is of the view that the provisions for impairment comply with and are in consistent with the requirements of the Accounting Standards for Business Enterprises and the relevant accounting policies of the Company, and can objectively and fairly reflect the assets of the Company and ensure the authenticity and accuracy of accounting information without prejudicing the legitimate interests of the Company and minority shareholders.

The supervisory committee is of the view that the provisions for impairment made by the Company in compliance with the requirements of the Accounting Standards for Business Enterprises and the relevant financial and accounting policies of the Company are in line with the actual conditions of the Company, and can provide an objective and fair presentation of the assets status and operating results of the Company.

By order of the Board
Jiang Jinming
Company Secretary

Beijing, the PRC, 30 August 2021

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

Liang Yongpan, Qu Bo, Ying Xuejun, Zhu Shaowen, Cao Xin, Zhao Xianguo, Jin Shengxiang, Sun Yongxing, Liu Jizhen, Luo Zhongwei*, Liu Huangsong*, Jiang Fuxiu*, Niu Dongxiao**

* *Independent non-executive directors*