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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  
ANNOUNCEMENT ON THE CHANGES IN  
ACCOUNTING ESTIMATES OF FIXED ASSETS**

This announcement is published by Datang International Power Generation Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

**IMPORTANT NOTICE:**

The changes in accounting estimates adopt prospective application method for accounting treatment with effect from 1 April 2021 and no retroactive adjustment is required, which have no impact on the financial position and operating results of the Company in the first quarter of 2021 and previous years. It is expected that the depreciation of fixed assets will decrease by approximately RMB570 million from April to June 2021, and total profit will correspondingly increase by approximately RMB570 million accordingly (specific amount is subject to the 2021 financial statements audited by the auditor) due to the changes in accounting estimates.

**I. Summary of Changes in Accounting Estimates**

The 22nd meeting of the tenth session of the board of directors of the Company considered and approved the Resolution regarding the Changes in Accounting Estimates of Fixed Assets. Pursuant to the relevant requirements of the Accounting Standard for Business Enterprises No.4 – Fixed Assets and the Accounting Standard for Business Enterprises No.28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors, and in order to more fairly reflect the financial condition and operating results of the Company and provide more reliable and accurate accounting information to investors, the Company proposed to make changes in depreciation lives of fixed assets including power generation and heat supply equipment.

## **II. Details of Changes in Accounting Estimates**

### **1. Reasons for the changes**

With the widespread application of new materials and new technologies, the technological level of manufacturing industry in China has improved significantly. A large number of high-grade metal materials and precision instruments are used in power generation equipment, and the replacement cycle of energy-saving and clean equipment has been significantly shortened, which has effectively improved the overall performance level of power generation equipment. With the accurate analysis of equipment degradation trends by information technology, the level of equipment overhaul and maintenance has been further improved. Through timely management of equipment defects, overall improvement of the level of employees, continuous deepening of refined management, and gradual increase in the investment rate of unit automation, the service life of the unit has been further effectively extended. Through comparison and analysis with other listed companies in the industry recently, it was found that: the average depreciation life of coal-fired power generation and heating equipment is approximately 19.25 years, the average depreciation life of hydroelectric power generation equipment is approximately 24 years, the average depreciation life of hydroelectric dams is approximately 46.15 years, and the average depreciation life of automobile transportation equipment is approximately 8 years. The current standards for the depreciation lives of fixed assets and equipment are lower than the general implementation standards in the industry, which can no longer reasonably reflect the actual usable status of the Company's fixed assets.

In order to fairly reflect the actual situation of the Company's assets and improve the quality of accounting information, based on the actual used condition of fixed assets, the Company has re-approved the useful lives of related fixed assets with reference to the depreciation policies for fixed assets of other listed companies in the industry and in accordance with the relevant provisions of the Accounting Standards for Business Enterprises, so that the depreciation lives of fixed assets are more closer to the true useful lives of the assets, which more fairly reflects the financial position and operating results of the Company.

### **2. Details of the changes**

Before the changes, depreciation lives of certain fixed assets of our subsidiaries were: 17 years for coal-fired power generation and heating equipment, 15 years for hydroelectric power generation equipment, 45 years for hydroelectric dams, and 6 years for automobile and transportation equipment. After the changes, the depreciation lives of certain fixed assets of our subsidiaries are: 20 years for coal-fired power generation and heating equipment, 18 years for hydroelectric power generation equipment, 50 years for hydroelectric dams, and 10 years for automobile and transportation equipment. The changes will be implemented from 1 April 2021.

### **III. Impact of Changes in Accounting Estimates on the Company**

Pursuant to the relevant requirements of the Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors, the abovementioned changes in accounting estimates of the Company shall be implemented based on the prospective application method without retrospective adjustment to disclosed financial statements, and will not affect the financial position and operating results of the Company in the first quarter of 2021 and previous years.

The changes in accounting estimates are expected to reduce the fixed asset depreciation of the Company from April to June 2021 by approximately RMB570 million, and the total profit will increase by approximately RMB570 million accordingly (specific amount is subject to the 2021 financial statements audited by the auditor).

### **IV. Conclusive Opinions of the Board of Directors, the Supervisory Committee and the Auditor**

The directors of the Company (including independent non-executive directors) are of the view that the changes in accounting estimates of fixed assets are in compliance with relevant requirements of the Accounting Standards for Business Enterprises, which can objectively and fairly reflect the financial position and operating results of the Company, provide more reliable and accurate accounting information to investors, and will not prejudice the legitimate interests of the Company and small and medium shareholders.

The supervisory committee of the Company is of the view that the changes in accounting estimates are in compliance with relevant requirements of the Accounting Standards for Business Enterprises, and the accounting estimates after the changes will reflect the financial position and operating results of the Company more objectively and fairly, and will not prejudice the legitimate interests of the Company and small and medium shareholders. The decision-making process for the changes in accounting estimates was in compliance with relevant laws and regulations and the Articles of Association of Datang International Power Generation Co., Ltd.

Baker Tilly China (Special General Partnership) is of the view that the special statement prepared by the Company is in compliance with the Accounting Standards for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors and No.93 Corrections of Accounting Errors, Changes in Accounting Policies or Accounting Estimates to the Memorandum of Daily Information Disclosure by Listed

Companies of Shanghai Stock Exchange: No.1 Guidelines on the Format of Temporary Announcements and other relevant regulations in all material aspects, and truthfully reflects the changes in the accounting estimates 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*